



Daily Report

Central Eurasia

FBIS-SOV-96-124
Wednesday
26 June 1996

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Russia: Generals Fired Over Interest in Yeltsin Campaign Funds

MM2506153296 Moscow PRAVDA in Russian
25 Jun 96 p 1

[Commentary by Vladimir Dekterev under the "Opinion" rubric: "What Were the Generals Being Made To Pay for?"]

[FBIS Translated Text] Most observers link last week's dismissal of three "power" generals and a first vice premier to the president's election maneuvers. But is this really the case?

There are certainly no questions as far as the defense minister is concerned. Almost everyone has had it in for him for some time now, and it seemed odd that Yeltsin hung onto Pavel Grachev despite everything. As we should have expected, the president was simply saving him up in case he needed to make a strong political move. That move has now been made: Yeltsin has concluded an alliance with Aleksandr Lebed in order to win over the latter's voters in the second round of the elections.

Aleksandr Korzhakov also got under some people's skin. The general screened those seeking "access to the personage" of the president and, it was assumed, thereby had the opportunity to influence the adoption of important political decisions. But this only rankled among those at the top, so his dismissal could not have any substantial impact on voters' behavior — which is also true in Mikhail Barsukov's case. Moreover, both generals were very recently elevated in rank by the president (Barsukov was also promoted to higher office), so nothing foreshadowed this turn of events.

It was unlikely to have been a political move. The reason probably lies elsewhere. You could read "between the lines" at the press conference given on Saturday by the premier. He made it plain that the immediate grounds for removing these people from office was their arrest of Yevstafyev and Lisovskiy, members of Boris Yeltsin's election campaign team.

According to the official version, they were arrested while attempting to remove a large sum of cash (in the region of \$500,000) from the government building without the accompanying documents. There has been no official denial of this version.

So it looks as if the generals were removed because their subordinates conscientiously performed their official duties. Under the current regulations governing cash operations, any cash in excess of a limited residual balance must be banked. Moreover, such large amounts must be transferred by official collectors. One of Yeltsin's own edicts prohibits cash transactions of more than 2 million

rubles [R] between corporate bodies. In this case we are talking about R2.5 billion. Clearly this is a serious infringement of the law, which must be investigated by the services headed by the disgraced generals.

If it is true, it casts the prime minister's outrage at the arrest and questioning of the offenders in a very interesting light. Looking at Viktor Stepanovich, you would have thought that billions in cash were removed from the White House every minute of the day and that he considered this to be in order, while stopping crime was base, irresponsible, and intolerable for "statesmen."

It follows from the logic of Chernomyrdin's speech that the generals were dismissed because of the interest they showed in the sources of finance for the president's election campaign and in the prime minister's personal financial affairs. No one in our country has been allowed to show an interest in such matters for a long time now.

The prime minister's explanation for the dismissal of his own first deputy was extremely vague.

There is an old truth: Politicians should be judged by what they do and not by what they say about themselves. With the election campaign in progress, the vast propaganda machine is issuing a dense fog of words in an attempt to conceal the scandalous affairs of the incumbent "party of power." So trust your own eyes. They will not deceive you.

Russia: Korzhakov Lookalike Now Accompanying Yeltsin

MM2606083796 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 25 Jun 96 p 2

[Report by special correspondent Aleksandr Gamov under the "Second Half" rubric: "The President Has His Own Land in Kaliningrad"]

[FBIS Translated Excerpt] Brest-Kaliningrad — Last weekend Boris Yeltsin resumed his pre-election trips. In terms of being packed and strenuous, they probably differ little from those that preceded the first round of voting. The only difference is that Aleksandr Korzhakov's place in the front seat of the presidential limousine has been taken by senior adjutant Anatoliy Kuznetsov, who looks very like the ex-chief of the Presidential Security Service. He now opens wide the car doors for Boris Nikolayevich. He is coping well with his new duties. [passage omitted]

Russia: Poll Shows Most Russians Approve of Yeltsin's Reshuffle

LD2506174596 Moscow ITAR-TASS in English
1705 GMT 25 Jun 96

[By Tamara Ivanova]

[FBIS Transcribed Text] MOSCOW, June 25 (Itar-Tass) — As many as 71 percent of Russians think that President Boris Yeltsin made the right move in appointing retired general Aleksandr Lebed as Secretary of his powerful Security Council and a mere 8 percent resent that move, Russia's independent Mnenie (opinion) polling service reported today.

In the opinion poll conducted by telephone from June 18-20, a total of 1,047 respondents of both sexes and different age groups, occupations and educational backgrounds, were questioned.

As regards Lebed, 72 percent said he had made the right move, too, in accepting the job offered by Yeltsin versus 9 percent who said otherwise.

The poll revealed that 49 percent of the respondents knew at least some details of the dismissal of the former Defence Minister Pavel Grachev. Another 44 percent said they had "heard something" about it. Still another 6 percent were not aware that Yeltsin had fired Grachev while 1 percent said they did not know who Grachev was.

Responding to a request to evaluate the performance of the former Defence Minister, 53 percent of the respondents stated that he had done more harm than good to Russia. Only 4 percent of those polled thought Grachev had "benefited" the country.

The Army is being deliberately vilified but it does not deserve to be blamed, said 21 percent of the respondents, compared with 43 percent who claimed that the army deserves criticism.

In the opinion of 59 percent of the respondents, the government should forge ahead with the establishment of an all-professional army while 21 percent who do not think Russia should make haste to set it up. Another 6 percent said the country does not need an all-professional army at all.

Russia: Altay Kray Voters 'Indignant' at Yeltsin-Lebed Alliance

MM2606105896 Moscow PRAVDA in Russian
26 Jun 96 p 1

[Report by Sergey Ilin: "Alliance With Yeltsin Prompts Flood of Telephone Calls"]

[FBIS Translated Text] Aleksey Shvedov, Aleksandr Lebed's agent in Altay Kray and deputy chairman of the "Honor and Motherland" regional organization, has sent to Aleksandr Lebed's campaign staff headquarters a proposal that Boris Yeltsin be persuaded to withdraw his candidacy from the second round of the presidential election.

According to him, this proposal has been prompted by the flood of telephone calls received by the regional organization's headquarters after Lebed formed his alliance with Yeltsin.

The majority of Altay Kray voters, who backed the general in the first round of the election, were indignant at their candidate's behavior. They have declared that they intend to vote for Gennadiy Zyuganov in the second round. Shvedov believes that, in these circumstances, Yeltsin is totally unacceptable for the majority of Lebed's electorate and therefore Zyuganov has an even greater chance of gaining victory. But if the incumbent president withdraws his candidacy, Lebed will gain the votes of his own supporters, some of Zyuganov's supporters, and Zhirinovskiy's entire electorate.

Russia: Poll Indicates 53% Plan To Support Yeltsin in Election

LD2506160096 Moscow Voice of Russia World Service in English 1100 GMT 25 Jun 96

[FBIS Transcribed Text] In Russia the recent public opinion poll conducted by the National Center for Public Opinion Studies has shown that 76 percent of the respondents are prepared to take part in the second round of the presidential elections. Fifty-three percent of the polled intend to support Boris Yeltsin and 34 percent will vote for the Communist Party leader Gennadiy Zyuganov. Fifty-eight percent of the former Grigoriy Yavlinskiy's electorate, 47 percent of former General Lebed's electorate, 23 percent of Vladimir Zhirinovskiy's, and 4 percent of Gennadiy Zyuganov's electorate say they will give support to the incumbent head of state in the second round. As for Gennadiy Zyuganov, he can count on support of one-third of Vladimir Zhirinovskiy's electorate and of 8 percent of Grigoriy Yavlinskiy's electorate.

No voters who supported Boris Yeltsin in the first round appear to be willing to vote for Gennadiy Zyuganov in the second round.

Russia: VTsIOM Predicts 49-57 Percent for Yeltsin in Second Round

MM2506135296 Moscow IZVESTIYA in Russian
25 Jun 96 p 2

[Article by Yuriy Levada: "Three-Fourths of the Electorate Intend To Vote"]

[FBIS Translated Text] Last week VTsIOM [All-Russia Center for the Study of Public Opinion on Social and Economic Questions] conducted the first of a new series of mass surveys to check the reliability of data obtained before the first round and adjust hypotheses relating to the situation in the second round of the presidential election. Some 1,600 people were questioned, a representative selection from all over Russia.

Expectations and Results

The forecasts we made about the first round vote before 16 June turned out to be pretty close to the actual results (as a percentage of those who participated in the vote, rounded up to whole numbers):

	VTsIOM Forecast*	Election Result (Central Electoral Commission Figures)
Yeltsin	35-39 percent	35 percent
Zyuganov	30-34 percent	32 percent

*First version published in IZVESTIYA 11 June; adjusted at the end of the week

I have had occasion to explain in the newspaper why the forecast differs from the raw data of the poll on which the forecast is based; in some pieces containing comparative data (including those by the IZVESTIYA Analysis Center) this fact is not taken into account, unfortunately. I would like to stress that as far as research is concerned comparing poll data with actual data is essential to the process of amending methods of the study of society and public opinion.

The chief surprise for the researchers was that the turnout was lower than expected. We expected 73-75 percent of the electorate to participate in the election (the raw data of the final polls pointed to a level of readiness to vote that was considerably higher even than that), but in fact around 70 percent turned out.

Particularly noticeable was the lack of voters among the most active, working age groups, in small cities, and in the northern half of European Russia — in each of these groups the turnout was 15-20 percent less than expected. Naturally, this affected the resultant distribution of votes between the main rivals. For instance, B. Yeltsin obtained fewer votes than expected in those strata and regions where he has always been at his strongest — among Muscovites and inhabitants of the European north. Evidently, complacency and lack of motivation among the Yeltsin electorate were factors in the final days before the election.

Approximately two-thirds of those questioned who had not voted had everyday reasons for not doing so — they had not gotten to the polling place in time, they had been busy at the dacha or at home, official business or illness had prevented them. Around one-third cited circumstances or opinions of a social and political nature: They had no faith in any of the politicians, the first round decides nothing, or it was so clear who would be president that there was no point voting....

The Lebed Phenomenon

Most of Lebed's voters are middle-aged men with secondary education, inhabitants of cities, towns, and villages in almost equal proportions. They are most numerous in the northern and particularly in the southern half of European Russia. Not only does Lebed not have his "own" party, but he does not have the predominant support of a particular party either: His electorate comprises only 10 percent former KRO [Congress of Russian Communities] voters, 9 percent each from the CPRF and NDR [Russian Is Our Home], 7-8 percent each from the LDPR [Liberal Democratic Party of Russia] and "Women of Russia," 6 percent from "Yabloko," and so on. The spread of the electorate across the parties shows that it lacks an organizational base and is dependent on the personal popularity of Lebed himself. Incidentally, this gives the general the freedom to maneuver which none of the other presidential candidates has. If the voters are eager to regard their hero as the embodiment of courage, straightforwardness, and a desire for order, it is not so important how he actually chooses, for example, to settle the Chechen problem. Lebed's supporters clearly associate with him the age-old and so topical hopes for the advent of a "genuine" government inspector.

But Lebed's appearance in the Kremlin corridors makes for varied assessments: Expectation and disappointment are increasing in parallel, as it were. He will be unable to take the whole of his old electorate with him, of course. At the moment around 40 percent of his voters are prepared to switch to supporting Yeltsin.

Second Round Expectations

The key question for the correlation of forces in the deciding round of the presidential election is the turnout. According to the latest poll, 76 percent of those asked intend to go to their polling places on 3 July, 15 percent will not be voting, and 9 percent did not know.

Taking into account the inevitable statistical error in the sample, one can now expect Yeltsin to get 49-57 percent of the votes and Zyuganov 30-38 percent.

The votes of the abortive "third force" could be distributed as follows:

Voted in first round	Intend to vote in second round				
	for Yeltsin	for Zyuganov	against both of them	don't know	not recorded
For Lebed	39	14	6	39	2
For Yavlinskiy	51	6	7	32	4
For Zhirinovskiy	14	25	21	38	2

In this case the only ones taken into account are those who are sure they will vote for these candidates. A large part of the electorate is still undecided; changes are possible, in part depending on the behavior of the leaders.

Russia: Rutskoy Alleges Corruption in Yeltsin's Entourage

LD2606105496 Moscow Russian Television Network in Russian 0354 GMT 26 Jun 96

[Election broadcast on behalf of Gennadiy Zyuganov by Aleksandr Vladimirovich Rutskoy, hero of the Soviet Union, from the Elections 96 program — recorded]

[FBIS Translated Text] You look at the results of the voting and you are amazed to see that for the third time 35 percent of those who voted fell for the bait which is constantly being dangled just to deceive people. Do those who today voted for Boris Nikolayevich Yeltsin not understand that what is happening to us — the bloodshed, poverty, the legal, economic and political excesses — are nothing other than today's reality and the mythical future which are promised by Yeltsin and his team.

Believe me, I entered politics with just one intention, believing just like you in Boris Nikolayevich Yeltsin, to do everything possible and impossible to ensure that our country should become a great power which the whole world would heed, to ensure that our people should live worthy lives with their heads held high.

But four months later, having frequently come up against that wall which it was impossible to breach, having proposed realistic projects, projects to change the state of affairs in the country for the better, I came to the conclusion that these people have a completely different

task. They have completely different aims. They do not need the country to be great, they do not need the people to live worthy lives. What they need is what is happening to us today.

Today Aleksandr Ivanovich Lebed is sure that he will manage to combat crime, corruption, embezzlement of state funds. Today Aleksandr Ivanovich Lebed is sure that he will manage to reform the armed forces and to raise the level of combat readiness. You know, I have been through all of that. Remember those notorious suitcases of Rutskoy which caused such a fuss. I was forced to do that. Because the president was not tackling this issue at all, because in my presence the security minister, the interior minister, and the defense minister...[changes thought]...in my presence, I stress, Yeltsin who had appointed me to such an important sector as the fight against crime and corruption said that not a single document should be given to Rutskoy, and you must subordinate yourself personally to me, and Rutskoy is not be allowed into the office. He said that in my presence.

What else could the vice president do but appeal to the Supreme Soviet to stop all of this disgraceful behavior, to halt this foolhardiness, to halt the robbing of the country. I spoke in the Supreme Soviet after which, by decision of the Supreme Soviet, an investigative group was set up, headed by Nikolay Ivanovich Makarov, first deputy prosecutor general of the Russian Federation. I handed 50 cases to this group in the prosecutor general's office.

These documents confirmed corruption and embezzlement of state funds in the top echelons of power. Three months later the first deputy prosecutor general reported to the Supreme Soviet that 42 cases which included all these names who are today again clamoring for power

— Chubays, Gaydar, Shokhin, Poltoranin, and so on. Where are all these cases today? Where are the 42 cases which at that time were confirmed? Everything has been covered up.

You know, I am deeply sorry [for Lebed] because I have very kind regards for the combative general, my colleague — because we fought together in Afghanistan, served our homeland together with belief and truth. I feel sorry for him as a man who has not drawn conclusions from my fate — when they had made use of me they turned me out of the gates of the Kremlin. You will see that exactly the same will happen to Aleksandr Ivanovich Lebed because I know his character, his character of high principle. This will happen.

If one has the aim of combating crime and corruption and reforming the army, how can one go to those who created this corruption, those who created the conditions for bribery, those who created the conditions for crime, those who destroyed the army without a war, those who humiliated it, how can one go to them, how can one trust them?

Russia: Zyuganov Cites Support for Coalition Idea
LD2506132196 Moscow ITAR-TASS in English
1238 GMT 25 Jun 96

[By Lyudmila Alexandrova]

[FBIS Transcribed Text] MOSCOW, June 25 (Itar-Tass) — Presidential candidate from the National Patriotic Bloc Gennadiy Zyuganov today met Speaker of the Upper House of the Russian Parliament Yegor Stroyev. He divulged this news to a press conference, which was held at the Central Journalists' Club here today.

Zyuganov expressed the conviction that the initiatives he made known to the public on Monday would be discussed at the Wednesday meeting of the Upper House of the Parliament.

As earlier reported, candidate from the National Patriotic Bloc published on Monday his proposals concerning the composition of the Council of National Accord and the Coalitional National Trust Government, which are to be formed on the basis of the National Accord Pact, which is to be signed by various political forces.

Zyuganov suggests that one third of the future coalitional government should be made up of members of the present cabinet. "There are many very worthy and efficient people in it, who will work in the coalitional government," he told the press conference.

Zyuganov said that many people doubted the correctness of his statement that he met 12 ministers and 27 deputy ministers to discuss his initiatives. "These contacts,"

Zyuganov explained, "lasted for a whole year during the preparation of numerous parliamentary hearings in the State Duma."

In Zyuganov's opinion, his ideas will be backed in the country. "People are sick and tired of confrontation and anybody who is offered a unifying idea is bound to support it irrespective of his political orientation," he stated.

Zyuganov said that Yeltsin was "studying" his initiatives and this explains the postponement of the government meeting.

The communist leader said that economic and managerial problems were discussed during his Monday meeting with Moscow Mayor Yuriy Luzhkov. "We did not discuss the composition of the coalitional government," he noted.

Zyuganov expressed surprise that Yeltsin had not signed the "Law on the Inauguration of the New President of the Russian Federation", which was approved by the Federal Assembly, although it takes into account all his nineteen amendments. "We want to put an end to spitting in the back of every who steps down, to stop settling accounts with them," he added. In Zyuganov's opinion the "Duma will be able to rectify this situation on July 5".

Speaking about his election campaign, Zyuganov said that he would have talks within the next two days with some "key businessmen, financiers, and academicians". He believes that his main electoral reserve is to be sought in the regions where he emerged victorious during the first round of the voting. The main task is to mobilise there all the people who did not come to the polls.

Replying to an Itar-Tass question, Stroyev said that no personnel matters were discussed during his meeting with Gennadiy Zyuganov, and that the latter had made no offers to Stroyev or any of the other members of the Upper House of the Russian Parliament.

Russia: Yavlinskiy Rejects Proposed Alliance With Communists

LD2506153296 Moscow ITAR-TASS in English
1439 GMT 25 Jun 96

[By Igor Zhukov]

[FBIS Transcribed Text] MOSCOW, June 25 (Itar-Tass) — Liberal economist Grigoriy Yavlinskiy, who heads the market-oriented Yabloko movement, gave a negative response to the Russian Communist Party leader Gennadiy Zyuganov's advances made in a statement according to which Yavlinskiy would be welcome to join

the "national trust government" the KPRF would form if the communists won the July 3 presidential runoff.

According to Yavlinskiy's press office, no negotiations on the proposal have ever been conducted with the Yabloko leader and in this light Zyuganov's statement was absolutely groundless and was obviously no more than "another pre-election stunt made by the communist leader who feels that the victory which seemed so real six months ago is rapidly slipping away from his hands," the press office said.

Russia: Zyuganov Actions Only 'Imitation of Strong Political Moves'

MM2506154396 Moscow ROSSIYSKAYA GAZETA in Russian 26 Jun 96 p 1

[Report by Aleksandr Batygin: "For All-Around Confidence"]

[FBIS Translated Text] Boris Yeltsin has announced that he has included in his electoral program provisions from Aleksandr Lebed's program — primarily on issues of state security, crime-fighting, and the settlement of the conflict in the Chechen Republic.

This is one of the latest instances of the real unification of the two politicians. Almost all of yesterday's contenders for the top state job are now gathering around the current president. There is so little time to go to the second round that the steps taken by the two candidates need to be judged not so much by their proposals as by their real actions, not least in the direction of pooling the efforts of leading politicians.

Gennadiy Zyuganov has made what he sees as a strong political move — without waiting for the outcome of the second round, he has announced his proposals on the composition of his "government of national confidence."

There have to be compromises in politics. But G. Zyuganov's trump card can hardly be described as a quest for compromise — essentially his revolutionary idea is aimed at recreating an "indestructible bloc of Communists and nonparty people." And before offering anyone anything — much less a top job — you ought to at least ask their opinion. Understandably, Zyuganov's soul mates — Tuleyev, Ilyukhin, Goryacheva, Govorukhin, and others — will willingly fill the ranks of Gennadiy Andreyevich's nominees. But what about other politicians whose convictions in no way square with Communist ideology?

Thus, Zyuganov's proposal to include the mayor of Moscow in the future government was sensational. This was followed by a clear response from Yuri Luzhkov — he considers it unethical to hold discussions about joining a "government of national confidence" and

would resolve all issues "solely by agreement with one man — Russia's current president, Boris Yeltsin."

Other Communist-backed "candidates" — Yegor Stroyev, Svyatoslav Fedorov, Eduard Rossel, and Grigoriy Yavlinskiy — were also unambiguous. "There can be no question of my participating in a Communist government," was the "YaBLoko" leader's comment on the situation. Only Vladimir Zhirinovskiy, as ever, launched into a verbal assault, stating that "in the event of Zyuganov winning," he is "ready to head the government so as to...neutralize the Communists."

The actions of Gennadiy Andreyevich and his immediate entourage cannot be called anything but an imitation of strong political moves. Zyuganov understands that in the electoral struggle he will not have enough arguments and that his economic program does not stand up to criticism. That is why he is so keen on using others' political capital in his quest for votes....

Russia: Zyuganov's Coalition Idea Elicits Adverse Reactions

LD2506192696 Moscow INTERFAX in English 1652 GMT 25 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [no dateline as received] Prime Minister Viktor Chernomyrdin believes that the after-elections government should be made of professionals. Chernomyrdin said so in a talk with journalists Tuesday as he commented on the proposal made by Gennadiy Zyuganov, communist candidate for presidency, about the formation of a coalition government.

Zyuganov suggested forming a coalition government in which his people's patriotic bloc, the parliamentary parties outside the bloc and members of the present government would be equally represented. He said that communists had negotiated this issue with 12 ministers and 27 deputy ministers.

Zyuganov listed Moscow Mayor Yuriy Luzhkov, Bashkortostan's President Murtaza Rakhimov and Novosibirsk region Governor Vitaliy Mukha as possible prime ministers in the coalition government.

"My own view is unambiguous, members of the government must be professionals, or knowledgeable people who can and are willing to work," Chernomyrdin said. This must be the guiding principle in forming a government and it is up to the president to decide who and how they represent, he said.

Luzhkov described as dangerous the communist idea to set up a coalition council and then a coalition government of popular trust because this would call for

a revision of the Russian constitution and governmental structure.

Furthermore, Zyuganov will not be able to form a government because he is going to lose the second round to Boris Yeltsin.

Luzhkov said he will not take Zyuganov's offer to join "a so-called coalition government" and that "forming a government while another president is still in office is inconsistent with business ethics."

Rakhimov told Interfax Tuesday that he would not serve on Zyuganov's government.

Rakhimov was indignant that Zyuganov had not asked his opinion. He emphasized that he had repeatedly declared his support of Yeltsin's reform course. "When the future of Russia and our own future are decided, I am saying again that I am on Boris Yeltsin's team," he said.

Mukha refused to cooperate with Zyuganov. "As the administration chief I head the Novosibirsk region government. I won this position in democratic elections and have no intention of heading any other government," he said.

Zyuganov does not feel rebuffed by the refusal of the above people to join the proposed coalition government. He is convinced that the electorate will support his idea to sign a national accord pact and set up a coalition government.

"I feel that people are tired of the confrontation and they will support whoever puts forward this uniting idea," he told a news conference in Moscow Tuesday.

Zyuganov said he had had consultations with all the above public figures and it is their evaluation of the situation in the country and its regions rather than their consent that is important for him.

The invitation to head a coalition government has been made to those who have shown their ability to manage, he said.

Zyuganov said that communist MPs met with nearly every minister and deputy minister in the course of parliamentary hearings and found what their positions and potential were.

In his comment on Zyuganov's idea to set up a National Accord Council would select ministers for a coalition government Sergey Medvedev, the president's press secretary, told Interfax that the formation of still another non-elected bureaucratic body with undefined functions is not provided for by the constitution.

Peace and concord in society can be reached without resorting to unconstitutional steps, Medvedev said.

When Boris Yeltsin put forward the idea of signing a public concord treaty and setting up of a conciliatory commission two years ago, the communists did not go along, Medvedev said. Their recognition that this is necessary is welcome, he said.

Medvedev added that the KPRF [Communist Party of the Russian Federation] leaders did not recognize the need in a civil peace and concord before they lost the first round of the presidential elections and the political leaders whose backing they sought refused to join a coalition with them.

Russia: Zyuganov Campaign Slot Attacks Yeltsin's Record

*LD2606095396 Moscow Russian Public Television
First Channel Network in Russian
0440 GMT 26 Jun 96*

[Address by Communist presidential candidate Gen-nadiy Zyuganov on the "Elections 96" program; date not given — recorded]

[FBIS Translated Text] Esteemed fellow countrymen, I represent the national patriotic bloc which received the support of 25 million voters. The present authorities say that democracy has become established in the country. Democracy is primarily dialogue and responsibility and over a period of many months I have been trying to call on my main opponent to take part in a dialogue. He continues to refuse, saying that our programs are not modern ones and that we are trying to drag people backward.

I do not think that the millions of voters voted for us to move backward or for there to be gulags and long lines. Not at all. We propose a modern program which has been published and made public and which, unfortunately, we are unable to acquaint you even before this round of the election.

Yesterday, I put forward an interesting initiative, to create a Council of National Accord and a Government of Popular Trust. I proposed signing a pact which confirms that Russia is a country with its own specific features, that the main attention should be directed to supporting all forms of property and economic activity, science, culture and education, that the country should be united since for all of us it is has the same land, the same sky, the same neighbors, and the same towns.

At the same time, I do not see any reciprocal movement from the other side. Mr. Yeltsin constantly refuses to have meetings and dialogue with us. And in my view this is not without reason.

You were recently subjected to stress. You saw Mr. Chubays appearing on the television screen at night and

saying that there were coups under way in the country. In effect there are no coups. There are only favorites who continue to manipulate Mr. Yeltsin — and I state this with all responsibility.

I recently reviewed all the incidents of our tragedy of the past four years and I came to the conclusion that he does not like communicating with the electors. There was the time when on the eve of the bloody October events when a dramatic situation was unfolding which could have been halted. An appeal was made to you, not by Mr. Yeltsin but by Mr. Gaydar, to take up arms. But we appealed to those involved to halt, to disperse peacefully and to sit down at the negotiating table.

There was a time when our children were dying in Tajikistan. They died over a period of 16 hours when a border post was being bombed but the commander in chief Mr. Yeltsin kept quiet although in that time it would have been possible to bring a special purpose battalion from the Far East and save our troops.

There was the time when the war began in Chechnya but Mr. Yeltsin lay in hospital, having repairs to his nasal septum, and today we are paying with bloody victims for this excess.

There was a time when Budennovsk was seized, troops were being killed and a whole hospital was held hostage and even women in childbirth. But Mr. Yeltsin was abroad meeting the G-7 and did not take measures to guarantee the security of his citizens.

I have the impression that now, too, during the election campaign everything is being done to hush up our position. You see, 48 hours per day, from morning to night, we wake up with Mr. Yeltsin and go to bed with him. Meanwhile, talented people of Russia are unable to set out a different point of view on the process going on.

We have a program, we have a team. I have proposed a procedure for forming a government — one third from the national-patriotic forces, one third from the existing government and one third from the other forces represented in the State Duma and whom you trust.

I believe that if we today do not cease our efforts when the country is split, when the slump in our national product is twice as great as the losses in the Great Fatherland War, then we may lose our homeland. [sentence as heard]

I assure you that if on this occasion we do not manage to halt these excesses the situation may get even worse. Throughout the world, television debates are an accepted measure when two candidates appear before the viewers and reply to their questions. I consider that

Mr. Yeltsin should submit himself to the norms which exist, as he puts it, in the civilized world. If he is a civilized man I hope that he will appear together with me live on the air and you will have the opportunity to put to us questions which interest you.

Thank you. Goodbye. I wish you success.

Russia: Yavlinskiy Views Election Possibilities

*LD2506231896 Moscow Russian Public Television
First Channel Network in Russian
1510 GMT 25 Jun 96*

[Studio interview with Grigoriy Yavlinskiy by Andrey Razbash from the "Rush Hour" program — live]

[FBIS Translated Text] [Andrey Razbash] Hello. Today's "Rush Hour" features a politician who has in his hands a good half of the controlling block of shares in the Kremlin and in the Russian authorities, as Otto Latsis put it. Have a guess. It is Grigoriy Alekseyevich Yavlinskiy. Good evening.

[Yavlinskiy] Good evening.

[Razbash] [passage omitted]

Are you comfortable in our "Rush Hour" studio?

[Yavlinskiy] Yes, thank you.

[Razbash] Here is water, if you need it. Everything OK?

[Yavlinskiy] Yes, it all helps.

[Razbash] What prevents you from taking the road chosen by [Aleksandr] Lebed: Join the presidential team and try to do something from the inside?

[Yavlinskiy] First of all, I had no such agreement with the president. I had no preliminary agreement that after the presidential elections I would join his team. I was taking part in the presidential elections completely on my own. I saw my task in proving that not everyone in our country who wants freedom and democracy agrees with the policies implemented over the past few years, and I managed to prove this.

[Razbash] What if the president had actually put such a proposal to you? Would you have agreed?

[Yavlinskiy] I would have asked him what this meant specifically, what powers we were talking about and, what's most important, I would have asked the president if he intended to change his policies. I would have also asked him whether I was needed as an ornament in his cabinet or whether he turned to me in order to implement different domestic, foreign, and economic policies.

[Razbash] Not long ago you said that the president made Zyuganov the No. 2 person in the country. What did you mean?

[Yavlinskiy] Since 1993, in our political forces, winning elections has always influenced the president. When Zhirinovskiy won the elections in 1993, the war in Chechnya began in 1994. This policy was in keeping with the principles which Zhirinovskiy brought with him to the Duma. Zyuganov won the elections in 1995 and his influence on Yeltsin's policies sharply increased after that. However, Zyuganov's victory was predetermined by most serious failures in our policies, such as the failure to pay wages and pensions on time, the war in Chechnya, corruption, crime, and the absence of development in the country's democratic institutions. Very serious failures in our policies allowed the Communists to become the force they are now.

[Razbash] Grigoriy Alekseyevich, for many people 3 July is the day of choosing between black and white. This is how it is often described in our press and everywhere else. One variant says vote for Yeltsin and everything will be OK. Do not vote for the Communists because things we all know only too well will return, for example, the totalitarian regime, the camps, the absurd economy, and the absurd politics. The other variant is quite the opposite: Stop this lawlessness by voting for Zyuganov, otherwise there will be nothing left of the country. Is this really a black-and-white dilemma? I believe you have your own ideas about this.

[Yavlinskiy] We have now approached a point when it is absolutely clear that one of the sides will be dangerous for the country. This is absolutely clear. I think that now we cannot possibly back the Communist Party under any circumstances, judging from what I know about the Communist Party's manifesto and its leaders, about how the Communist Party approaches the elections and about its slogans — leave alone what it will be implementing. This is very dangerous for our country. This is the truth. This is very serious.

[Razbash] I have a question on this subject. I would like to read a quote now, if you don't mind, and then we will carry on:

We will come in order to give our homeland a solution to the crisis and prospects for prosperity; all the citizens of the country — a life of dignity and well-being; the working people — jobs, creative opportunities, social protection, and a part in the administration; the peasants — land and the possibility of farming it freely; young people — education and a wide scope of activities in life; science and culture — overall support; owners — the security of using their property acquired by honest means; entrepreneurs — stability; pensioners — respect

and adequate income in old age; and the regions — peace and accord.

This is from the election program of Russian presidential candidate, Gennadiy Zyuganov. It sounds simply sweet.

[Yavlinskiy] It may sound sweet but the question is — how? There is no answer in the above.

[Razbash] Why, there is an answer! Yesterday they published a list of government which included Sergey Baburin, [Svetlana] Goryacheva, Viktor Ilyukhin, Svetlana Savitskaya, Stanislav Govorukhin, and Maslyukov — not our Sasha who hosts KVN [a popular entertainment program] but Yuriy Maslyukov from the former Gosplan. So there you are.

[Yavlinskiy] No, this doesn't clarify anything, these are just individuals and quite dubious at that as far as government goes. I can hardly imagine these people being heads of our government.

[Razbash] You think that they are incompetent?

[Yavlinskiy] Yes. In my view these people have no relation whatsoever to government. But the question remains — how? After all, in 1917 the Communists also came to power with sweet slogans. . But the thing is that when very sweet slogans are postulated, the road towards them turns out to be very bitter later on, a road of tears and blood, because these slogans are impossible to implement. We know this for certain. If formulated in the most precise way, the issue of the Communist Party is as follows: This party can enjoy no trust at all, this party has caused too much harm to our country. It has created a good deal of what are now being described as our achievements but those were the achievements of our people. After all, the Communists always only accounted for 10 percent of the population at most in our country. That is why the [Great Patriotic] war was won not by the Communists but by our people who paid with their blood. And universal education was provided by the people.

[Razbash] You are an experienced economist, after all. Perhaps, in a way, you are stronger in theory than in practice but you drew up the 500 Days Program and it would be only natural to ask you the following question: What would happen after 500 days of Communist rule in this country? Is it a very difficult question?

[Yavlinskiy] You mean what would happen if they were to come to power now?

[Razbash] Yes.

[Yavlinskiy] This is a very difficult question because the main danger about the Communists is that it is

absolutely unclear what they are going to do. It is absolutely unclear how everything will develop. For example, when the Communists are asked what they are going to do to privatization, they say they will form a commission which will sort things out. Those who are doing a good job, let them work, and those who are not [word indistinct]. Only incompetent people fail to understand what it means to send a commission to a private company. This means that a commission will decide how you should work and not your company's efficiency, or what you can actually do nor what people can buy from you. When I ask the Communists how journalists will be working, whether they will preserve the freedom of speech, they say "yes," adding that journalists should be responsible and grateful for the freedom they are given. Everyone who has lived in our country longer than just the past 10 years understands what these words mean.

[Razbash] How can you explain the fact that 32 percent of people do not understand what you are saying?

[Yavlinskiy] I have great respect for the overwhelming majority of people, for over 20 millions who voted for the Communists. They believe that the Communists will be able to resolve the main problems. This will not happen. They will not be able to resolve them, even with regard to the government composition.

[Razbash] But you, too, are unhappy with Yeltsin. You, too, put conditions to him.

[Yavlinskiy] I am not just unhappy with Yeltsin. The point is not in Yeltsin. The point is that my voters and I do not accept policies which President Yeltsin has been implementing for the past few years because these policies led to the war and to the breakdown of the social sphere, because they prevent the economy from improving, and because they led to the breakdown of the Army. No, we cannot agree with such policies.

[Razbash] Grigoriy Alekseyevich, let's take the results of the voting. The experiment was pure. You will agree there seemed to have been no juggling, right? There is the figure of 32 percent and your's is 7.5 percent. Do you think these figures reflect the proportion of naive people in society and romantics? Allow me one quote here.

[Screen caption] Those who vote for Yavlinskiy are inclined to idealize things. It seems to you that as soon as this person is a president, our entire life is going to be as nice as his ringlets and as right as those right words he says so well. However, if your candidate sees his people the way he sees them in his election broadcasts — men with false beards a la Russe and female peasants who do not know how to hold rakes, all singing pop ditties with

a local accent — a clash between the real and the ideal is inevitable. This clash always ends badly for the ideal. MOSKOVSKIY KOMSOMOLETS 17 June, 1996.

[Yavlinskiy] Well, MOSKOVSKIY KOMSOMOLETS is capable of writing even more [odious] articles for which it is difficult to find a definition. So there is nothing surprising here. Anything can be written for money. But the problem is elsewhere.

[Razbash] Did you see on the screen the words about the bad boy of Russian democracy [a reference to the Chekhov story]? That was about you.

[Yavlinskiy] Yes, yes. But the problem is elsewhere. The majority of my electorate is made up of very rational, intelligent, and well-educated people. Far from being idealistic, the majority of my electorate are people who remain unaffected by propaganda. They are indifferent to "Choose or Lose" [TV election slot], rock concerts, or electioneering on wheels. My elector does not give in to emotions, he is a thinker who understands what is happening in the country. And he believes that the greater the number of people voting in a rational and sensible way the greater influence on the authorities they will have.

[Razbash] In this case, your congress is the core of your electorate. And the congress passed a motion which showed that 51 percent of your delegates are in favour of not voting at all either for Yeltsin or Zyuganov. Where is the pragmatic side here?

[Yavlinskiy] You hit the nail on the head, only your figure is wrong: Not 51 but 57 percent.

[Razbash] Yes, 57 percent, I am sorry.

[Yavlinskiy] Yes, 57 percent of our congress voted in favor of not voting either for Yeltsin or Zyuganov while 41 percent voted to support Boris Nikolayevich. The pragmatic side implied is that my electorate can't vote for a presidential candidate who has not even said what sort of a government he will have. Nobody will ever vote for such a candidate in any country. My electorate can't vote for a president, a presidential candidate who doesn't say who will take key positions in the power structures after he has fired patently harmful and failed people. My electorate can't vote for a presidential candidate until he has convincingly clarified the way to stop the carnage in Chechnya which has already turned into a painful sore. Finally, my electorate can't vote for a president who abides by a constitution which gives him absolutely unlimited rights. Moreover, my electorate believes that if somebody else wins it would be impermissible for such a constitution to be handed over to him. So those are four issues and there is a fifth issue on the decentralization of power, the delegation

of many rights to the regions, and the protection of the freedom of the press.

[Razbash] There was a report today that the president is likely to meet [you] and reply to the questions put to him by Yabloko and others. You have listed these five points. But I would expect the president to ask you the following question: Grigoriy Alekseyevich — Why, according to Gennadiy Andreyevich Zyuganov, were you offered the post of prime minister in his government?

[Yavlinskiy] The president is not going to ask this question because he understands full well that what Zyuganov says today, what the ORT sometimes says in its news bulletins, and what many newspapers are saying are just inventions, thought up by who knows whom.

[Razbash] One second. As far as I know, Zyuganov himself has said, and this is the impression of a number of people that he is supposed to have put it to, that you have an opportunity to debate with him on the air. I know that on Thursday [27 June] ORT will be carrying a program *Odin na Odin* [One on One] and I think that Russian Public TV [ORTV] can give you and Zyuganov the opportunity to meet on it and to investigate this issue among others.

[Yavlinskiy] Four months now I have been proposing a meeting on the air, a TV debate, to Gennadiy Andreyevich — four months.

[Razbash] He doesn't react to your proposal?

[Yavlinskiy] No. First he didn't answer and then he made a very witty response, saying that he will hold a debate with me after he has had one with Yeltsin. But Yeltsin won't agree to debate with him. Consequently my debate with Gennadiy Andreyevich [Zyuganov] is only possible after his with Yeltsin. I'm sorry but I would like to get back to a more essential point than what Gennadiy Andreyevich is saying about personnel appointments. Incidentally, though this does testify to just how bad the Communists feel right now, if they engage in this sort of dialogue with someone who considers that Communism will not under any circumstances come back to power in Russia again.

But this is another question again. I would like to get back to a more important question. Look here, my voters are waiting for answers from Boris Nikolayevich [Yeltsin] to these principal questions. My voters will not find it possible to vote for Boris Nikolayevich without a clear and comprehensible answer to these questions.

[Razbash] My impression is that in a day or two we will get an answer, or at least a partial answer, from the

president to your questions. That's my impression. Now let us give the viewers a chance to ask their questions.

The first caller, please. [music]

[Unidentified female caller] Good evening, this is Lyubov Aleksandrovna. I have a question for Yavlinskiy. What is his view of the poet's words [recites from dissident singer Aleksandr Galich] "Fear not beggary, fear not jail, fear not plague or hunger, fear only the one who says he knows how things should be done?" Doesn't he think that this song is about him and that this really is terrible? Thank you.

[Razbash] A good question.

[Yavlinskiy] Yes it really is a good question and the poet put it well. I don't in fact know how everything should be done. But I have learned a thing or two and I want and I can achieve it.

[Razbash] Next question, please.

[Unidentified female caller] I would like to ask Grigoriy Yavlinskiy the following question. Recently he criticized both Yeltsin and Zyuganov very much but he failed to say how to improve the economy for our people.

[Razbash] Thank you. Could you answer this question in just one or two minutes? The question is simple enough, isn't it?

[Yavlinskiy] Yes. One should not steal. If there is no stealing, the economy will improve. The main problem in the economy at present is that budget money is being stolen. This is the main problem. Another thing is that privatized companies are also being plundered. There is a lot of theft about and that's why our economy does not improve. That's as brief as I can make it. Can you tell me why all the questioners have the same voice?

[Razbash] There is one more caller. Er, now ...

[Unidentified female caller] Grigoriy Alekseyevich and Boris Nikolayevich cannot reach a compromise. [Razbash is heard saying "No, this is a different one"] You see, Boris Nikolayevich made some major concessions. He is trying to reach a compromise.

[Yavlinskiy] Thank you for your question. I had an opportunity to have a telephone conversation with Boris Nikolayevich today. We will have an opportunity to discuss the situation which is taking shape.

[Razbash] As for the same voices on the phone, well, I do not know, it seems that people have different political views and this has nothing to do with their tone of voice.

[Yavlinskiy] I find that quite interesting.

[Razbash] We have still got some time left and the last question is from me. Last Thursday you had a meeting with Aleksandr Lebed behind closed doors. If it is no secret, did the meeting produce any results? What were you talking about at that meeting?

[Yavlinskiy] Aleksandr Ivanovich and I have been conversing for the past six months and we always reach results, as a rule. We talked about how the government will be formed and what kind of policy can be pursued. We also talked about immediate steps, including those in the security field, and about what priorities should be in the economic policy at present, taking into account the fact that the fall can be a difficult period from the point of view of the economy, following our election campaign — I mean the way the government carried out the election campaign, its expenses. The coming fall may prove very difficult and there is a need to professionally and very precisely...

[Razbash, interrupting] Yes, we understand. We have to finish now and in conclusion can you tell us briefly about your forecast for 3 July?

[Yavlinskiy] I think that President Yeltsin will manage to explain the main points of what he wants to do and, if this is convincing enough, the majority of the voters will vote for him, I think.

[Razbash] We'll have to leave it there. Many thanks. We are overrunning a little. I wish you well.

[Yavlinskiy] Thank you.

Russia: Zhirinovskiy Cited on Second Round Alliances

MM2606100596 Moscow ROSSIYSKIYE VESTI
("Political Wednesday" section) in Russian 26 Jun 96
p II

[Interview with Liberal Democratic Party of Russia leader Vladimir Zhirinovskiy by Pavel Anokhin; place and date not given: "Vladimir Zhirinovskiy: Even Imperfect Democracy Is Better Than the Revolutions Staged by the Communists. LDPR Leader Answers ROSSIYSKIYE VESTI Correspondent's Questions"]

[FBIS Translated Text] [Anokhin] Vladimir Volfovich, what is your view of your personal result in the first round of the elections? Many people see the reduction in the votes cast for the LDPR [Liberal Democratic Party of Russia] leader on this occasion as indicating a decline in your popularity.

[Zhirinovskiy] The millions of Russians who voted for me in the present conditions are my own victorious Battle of Stalingrad. We committed tremendous spiritual and physical efforts on this occasion, since we were

fighting under unequal conditions. Journalists constantly distorted all our campaign events. For instance, I visited the Mozhaysk women's colony, and they reported: Zhirinovskiy has gone to a women's jail — not a word about what I did there. Some bankers who were prepared to help us financially had their accounts "frozen."

All my rivals are backed by foreign forces and their money. The Communists too. Again, apart from me they are all susceptible to communist ideology. For instance, Grigoriy Yavlinskiy was in the CPSU for three years and his father served in the NKVD [People's Commissariat for Internal Affairs], so it is difficult for him to adopt a clear democratic position. Bryntsalov too was in the CPSU, where he dealt with the shadow economy, and was expelled from the party for embezzling.

Nevertheless, despite the obstacles, the LDPR won a net victory. The elections demonstrated that we are the "third force," no matter how much Messrs. Yavlinskiy or Fedorov may pose as it. We are an independent force. We have no strategic alliance with either the Communists or the democrats: We differ from the former in our blueprint for resolving the nationalities question, from the latter in our foreign policy.

As for the "reduction in votes," we have the firm support of 10-12 million voters. However, this time some of our electorate's votes went to General Aleksandr Lebed.

[Anokhin] The second round of the presidential elections is a time of consultations and regroupings among political forces. Have your party and you yourself received any proposals?

[Zhirinovskiy] There are contacts, but at the moment we are not having open negotiations. Soon we will analyze the election results, assess them, and then make up our minds about possible alliances and coalitions. It is clear that realistically there can be only two options, and we must consider the pluses and minuses of each one.

When we have finally made up our minds, we will announce our position and appeal to our voters. We will not leave them ownerless. Our electorate is disciplined and will vote as I say, including those who opted for Aleksandr Lebed.

[Anokhin] The Communists are confident that your electorate will vote for Gennadiy Zyuganov in the second round.

[Zhirinovskiy] For Comrade Gennadiy Andreyevich Zyuganov?... That is ridiculous. I can guarantee that my supporters will not go over to the Communists, although the Communists badly want this. Our voters are not Communists in spirit. We are fundamentally different from the Communists in every way. We do not have

the doctrines of Marxism and communism. Furthermore, the Communists are internationalists, but our electorate is national-patriotic and even nationalist.

What is more, as many people will probably remember, the LDPR arose as an alternative to the CPSU. Personally I have never been a member of the Communist Party and have no interest in it. Our electorate is made up of people from various professions and various social strata, people who are not very poor, people who are not very rich. The great mass of them are nonparty Russians who fear the ultranationalist organizations. Our supporters are mostly members of the emerging middle class, which is attracted by a moderate political organization.

[Anokhin] There are rumors you have already contacted the Communists with a view to creating a coalition.

[Zhirinovskiy] No, we have not given or made any promises about creating any coalitions. This reflects the policy of the LDPR, which has operated independently in four elections now. Although, naturally, before 3 July we will make a number of political statements that will determine the possible outcome of the second round of the elections.

[Anokhin] Nevertheless, what if the Communists offered you a job in their government in an attempt to secure your support in the second round.... What post would you accept?

[Zhirinovskiy] I do not want their post, for the sake of which I would be betraying my voters. I do not want to be like Aleksandr Lebed and become a functionary. I operate on a planetary scale, but they want to shut me in an office to make me invite Gennadiy Andreyevich into bed. I myself can crush anyone you like.

Even if Gennadiy Zyuganov were to hand over his votes to me so I could become president, I would not countenance this, given their ideology. I cannot be a red president. The most important thing for me is the voters' will.

[Anokhin] What if you receive interesting proposals from Boris Yeltsin?

[Zhirinovskiy] I repeat: It is not a question of posts. We can hold talks on our readiness to channel our electoral capital in the right direction 3 July. We are prepared to mobilize our electorate for an idea, but it must be implemented. To this end we should hold talks and receive the requisite information from political circles.

[Anokhin] Let us return once again to the forecasts of a possible campaign alliance between the CPRF [Communist Party of the Russian Federation] and the LDPR. ARGUMENTY I FAKTY published a Zyuganov document defining the Communists' actions to this end.

Are talks between the leaders of the CPRF and the LDPR possible without your involvement, behind your back, so to speak?

[Zhirinovskiy] No, they are impossible! Anybody from the LDPR who did that would be expelled from the party and put on party trial. So there can be no talks behind my back.

Of course, there may be intrigues by the Communists, but in that case we will speedily spot them and thwart them. They are still engaging in name-calling, although at the moment it is better to refrain from assessments. Any incautious word now could change the fate of the country. At present I advise no one to make abrupt movements or lapse into euphoria. On 4 July there could still be an SCSE-4 [State Committee for the State of Emergency-4] that Aleksandr Lebed would no longer be able to prevent.

[Anokhin] It would be interesting to hear your view of the statement about SCSE-3.

[Zhirinovskiy] But when in that case was SCSE-2?

[Anokhin] How do you view the fact that you are sometimes compared with Vladimir Lenin in terms of your polemical temperament and methods of operation?

[Zhirinovskiy] We have nothing in common apart from the fact that we both graduated from the legal faculty. He spent 17 years in Zurich and came to Russia with foreign money to foment revolution....

[Anokhin] In your view, what mistakes did the Communists and the democrats make in the election campaign?

[Zhirinovskiy] In an endeavor to win over the democrats, the Communists began to portray themselves as social democrats. This is their miscalculation. While the democrats did not succeed in creating their grand coalition in time. For instance, Aleksandr Lebed could have been Boris Yeltsin's agent, visited the troops, and campaigned for him. But he, like Yavlinskiy, followed an independent course. There cannot be several candidates from a single political force. There must be just one candidate, as with the left-wingers. These are the two main mistakes that have led to the present stalemate.

[Anokhin] Do you fear a return to power by the Communists?

[Zhirinovskiy] No one presents any particular danger to us. However, we reject a monopoly for anyone over power or ideology in the country. The idea is sometimes voiced that, if the Communists win, the next elections may be delayed for a long time. In order to prevent something like this from happening, you must

not merely fear it, but act in a resolute and varied way right now. In this case the LDPR is prepared to support democracy. We realize that at present it is just a screen, but this is still better than the revolutions staged by the Communists.

Russia: Rural Voters Seen Skeptical of Government Plans

MM2606095896 Moscow SELSKAYA ZHIZN
in Russian 25 Jun 96 p 1

[Commentary by Yuriy Savin: "Concern About the Countryside or About Votes?"]

[FBIS Translated Text] On Thursday 20 June the head of state ratified the Federal Targeted Program for the Stabilization and Development of Agro-Industrial Production Through 2000. Judging by the first reports on the content of the document, the president has committed himself to increase the volume of agricultural output by the end of the century by 15 percent as compared with 1995, including a 31.5 million-tonne increase in grain production. The government has been instructed to determine the state client for the Program and make provision for the budget allocations necessary for its implementation.

Top officials are attributing the adoption of the document to "genuine concern for the domestic producer." One would like to believe in the sincerity of the intentions to change the unsound course of agrarian policy — a course which in a matter of a few years has led agriculture into a severe spiraling crisis and has made the country in food terms dependent on imports. However, you cannot help linking the step taken by the head of state with the election campaign.

Promises to engineer an upturn in the Russian economy's most important sector should logically be accompanied by real and serious measures of support for the countryside today. But what do we actually see? Has the decline in agrarian production been stopped? No, it is continuing. Has agriculture's material and technical base started to be strengthened? No, capital investments in the sector are meager, and over a period of five years the commissioning of new facilities has declined ninefold. Have peasants' living conditions improved? No, wages are at their lowest, and the delays in paying them are greatest, in the countryside.

Obviously the foundation for an upturn in the countryside has to be laid now if, in five years time, having cut its output by one-third in the previous five-year period, the sector is to make up even one-half of its decline.

But if this problem is put off until the end of the period, then the fate of the federal program is predictable. Is this not why the ambitious plans for the revival of the Russian countryside and the development of the grain, sugar beet, stockraising, and other sectors have given up the ghost?

The timing of the program's adoption is also perturbing, to say the least. The president signed it in the interval between the edicts on the famous dismissals, according to the pro-government press. The majority of experts are making direct connections between the removal of offensive figures from the president's entourage and his plans for securing extra votes from the electorate in the second round of the election for the head of state.

Boris Yeltsin is in even greater need of a shift in the mood of the countryside. After all, in the first round the countryside clearly gave preference to Gennadiy Zyuganov, the candidate of the people's-patriotic forces, and rural inhabitants thus expressed their hostility to the authorities' current socioeconomic course.

The adoption of the presidential program on the countryside will scarcely be the one step to change the appearance and image of the executive's agrarian policy. According to the editorial office's information, the government also intends to present other high-sounding measures in the agrarian sphere to the public before the beginning of the second round.

In particular, the agro-industrial complex may finally receive the 800 billion rubles due to it (in accordance with the adopted state budget for 1996) for the acquisition of equipment and the 200 billion for the purchase of spare parts. It is planned to give "emergency financial help" to scientific and educational agricultural institutions, and the Ministry of Railways and the local authorities will be made to introduce a seasonal reduction in fares for passengers on suburban services. They will try to give country people the illusion of getting rich quick with a second series of vouchers, or else with the free purchase and sale of land.

New cadre changes in the government cannot be ruled out. For example, there is talk to the effect that Vice Premier Aleksandr Zaveryukha, who in his time survived some tough battles with the fathers of reform, Boris Fedorov and Anatoliy Chubays, could be sacrificed. Why not try to blame him now for the failures in agrarian production, even though the causes are to be found not so much in the manpower as in the substance of agrarian policy.

In theory the pinnacle of power also perceives this. It is no accident that former Federation Council Speaker Vladimir Shumeyko, Nizhny Novgorod Governor Boris Nemtsov, and the capital's Mayor Yuriy Luzhkov have spoken about the need for state support for the countryside. But these words will most probably turn out to be the latest case of bamboozling people on the eve of a crucial choice for the country.

The country expects of the future president not just talk but immediate, effective measures to avert impending disaster. And the people of the countryside will give preference to the man who convinces them of his honesty and responsibility.

CIS: ITAR-TASS Carries Press Review for 26 Jun
LD2606070696 Moscow ITAR-TASS in English
 0446 GMT 26 July

[“Press Review” — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, June 26 (ITAR-TASS) — Russian newspapers continue to centre on the coming second round of the presidential elections on July 3. The ARGUMENTY I FAKTY weekly runs an interview with President Boris Yeltsin.

The first and the most burning issue is on cabinet reshuffling. Yeltsin refutes suppositions that the reshuffling was a surprise. “All the latest decisions on personnel were thought out and prepared.”

“What has happened looks like an ocean wave: it generates in ocean depths and due to objective reasons, and when it comes to the shore, people are surprised: wherefrom has it come?”

As for the union with Aleksandr Lebed, according to the president, it was also planned beforehand. “The first round of the presidential elections has accelerated the process.”

The question about Korzhakov’s resignation is “the most difficult”, the Russian leader notes: I owe him much. He was with me in the most difficult times and at the most dangerous moments.” However, he continued: “I can be friends with Aleksandr Korzhakov and his family — this is my personal affair. But if he wants to join big politics, let him do it from the main entrance rather than from the backstairs.”

The president refuted rumours about a return of Anatoliy Chubays to the government, noting that he forms a new team, relying on the opinion of voters. “I form a serious and strong team and for long.”

Writing in the ROSSIYSKIYE VESTI newspaper, member of the State Duma (Russian parliament lower house) Boris Fedorov deems it quite necessary to form a real coalition government of democratic and centrist forces, which would enjoy confidence of the broad masses of people and which would include people, ranging from Chernomyrdin to Yavlinskiy, from Gaydar to Shakhray from Rybkin to Svyatoslav Fedorov and from Gromov to Pamfilova.

He warns against slackening those who decided that Yeltsin’s victory is “already in the pocket”, and the danger of the Communists’ comeback has passed.

This warning is echoed by leader of the New Course movement Vladimir Shumeiko in ARGUMENTY I FAKTY. “We should take into account that 24 million

people back Zyuganov, and he should be given a government post,” he stresses.

The ROSSIYSKAYA GAZETA newspaper runs an address to Muscovites by Moscow Mayor Yuriy Luzhkov calling on them to come to the polls, since every vote can be decisive.

“Millions of Russians who voted for me under the present conditions, are a Battle of Stalingrad won by me,” leader of the Liberal Democratic Party of Russia (LDPR) writes in an interview carried by ROSSIYSKIYE VESTI.

The LDPR leader claims that the elections have shown that it is his party that is “the third force.” “We are an independent force. We have no strategic union either with communists or with democrats: we differ from the first by a concept of tackling the nationality question and from the second — with foreign policy.”

Under the headline “Blitz analysis”, the IZVESTIYA newspaper carries an article on sackings, in compliance with a decree of the Russian president, of several high-ranking generals of the Russian Defence Ministry.

The daily refers to an opinion of analysts who believe that the sackings which followed, quite evidently, at the insistence of secretary of the Russian Security Council and the Russian president’s national security assistant Aleksandr Lebed, are not justified in all respects.

Analysts believe that there were those who “innocently suffered” among those who were dismissed from their posts. This shows, the newspaper writes, that President Yeltsin is now ready to meet many demands of his national security assistant. “Many or all? This will be shown by the appointment of a minister,” the daily notes.

Based on information received from various sources inside the Russian Communist Party, IZVESTIYA depicts a scenario of actions by communists, which can render, under appropriate circumstances, substantial influence both on the situation inside the Communist Party and in Russia as a whole.

The ROSSIYSKAYA GAZETA and KOMSOMOLSKAYA PRAVDA newspapers carry materials on drug trafficking in Russia. One of them is an interview with Aleksandr Sergeyev, head of the drug control administration of the Russian Interior Ministry and the second is a story by a former drug carrier revealing routes of drug supplies from Central Asia to Moscow, which is front-paged by KOMSOMOLSKAYA PRAVDA.

**CIS: Russia, Belarus, Kazakhstan, Kyrgyzstan
Promote Integration**

*LD2506114696 Moscow INTERFAX in English
1055 GMT 25 Jun 96*

[FBIS Transcribed Text] BISHKEK, June 25 (INTERFAX) — The interstate Integration Committee formed by Russia, Belarus, Kazakhstan and Kyrgyzstan has concluded the forming of its working bodies in the framework of the agreement on promoting economic integration, the committee's chairman, Kazakh First Deputy Prime Minister Nyghmetzhan Yesengharin, told a news conference in Bishkek on Tuesday.

The committee is to convene for a session in Moscow on July 26, he said.

The session will discuss how to conclude the formation of the customs union between the four states. Union members must "clearly define" the rules of their cooperation, the procedure of participation in it, agreements on tariffs, on quotas, on the formation of a common motor transport system, accords on avoiding dual taxation, and other issues, Isingarin said.

Following Kazakhstan's admission to the customs union last year, its turnover with Russia has increased by 45 percent, he said. Nevertheless he deplored the fact that many decisions taken in the framework of the Commonwealth of Independent States Economic Committee failed to be carried out. He hopes that closer coordination of actions will be reached in the framework of the quadrilateral agreement on furthering integration, Yesengharin, said.

**CIS: Integration Committee To Discuss Customs
Union**

*LD2506192096 Moscow INTERFAX in English
1652 GMT 25 Jun 96*

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [no dateline as received] The interstate integration committee made up of Belarus, Kazakhstan, Kyrgyzstan and Russia and acting in the framework of the agreement on strengthening economic

integration has concluded forming its working bodies and has started preparing a session of the committee scheduled for July 26 in Moscow, chairman of the integration committee, Kazakhstan's First Deputy Prime Minister Nyghmetzhan Yesengharin told a press conference in Bishkek.

According to Yesengharin, the issue on final formation of the customs union will be the major one in the agenda of the upcoming session. Members of the integration process should precisely determine rules of their mutual relations and procedure of their participation in the Customs Union in order to ensure the most efficient integration, he said.

Participants of the session will also consider draft agreements on tariff regulation, resolutions on principles of setting quotas, on formation of a single automobile transportation system between Belarus, Russia, Kazakhstan and Kyrgyzstan, an agreement of avoiding dual taxation and other issues, he said.

Speaking about economically favorable opportunities of the Customs Union, Yesengharin said that "Russia does not exert any coercive pressure on other member-countries." After entering the Customs Union in 1995 Kazakhstan increased its turnover with Russia by 45 percent, he said. He hopes that the trade turnover between neighboring Kyrgyzstan and Kazakhstan will also increase.

Yesengharin expressed regret that many resolutions adopted by the CIS Economic Committee have not been implemented. To this effect he expressed hope that "there will be a closer coordination of actions as an example for other CIS states," in the framework of the quadripartite agreement on deepening integration.

He also hopes that member-countries of this agreement will go along the way of liberalization of their foreign economic activity and removal of customs charges in order to activate the trade-economic cooperation and to ensure a speedy movement of goods on the domestic and neighboring markets.

Russia: Primakov Sets Out Foreign Policy Priorities
MM2506143196 Moscow TRUD in Russian
25 Jun 96 pp 1, 4

[Report by Anatoliy Repin on speech by Russian Foreign Minister Yevgeniy Primakov to Moscow State Institute of International Relations Academic Council; date not given: "The Role of Follower Is Not For Us. Yevgeniy Primakov on Basic Guidelines of Russia's Foreign Policy"]

[FBIS Translated Text] A few days ago Russian Federation Foreign Minister Ye.M. Primakov set out the main tasks of Russian foreign policy in a speech to the Moscow State Institute of International Relations Academic Council. He began by rejecting the arguments of those who believe that, since not everything is okay at home in our country, we should concentrate on economic problems and domestic issues and only then pursue an active foreign policy.

Such views, Yevgeniy Primakov said, simply do not hold water, chiefly because it is a question of the need to create favorable foreign policy conditions for resolving Russia's most important, most vital domestic tasks — the tasks of developing the economy, democratizing society, and preserving Russia's territorial integrity — and also for promoting and imparting an appropriate impetus to the process of integration in the post-Soviet area.

The contention that we are still not mature enough to activate our foreign policy in all directions is also invalid in that it underestimates Russia's accumulated potential in the military sphere, in the economy, and in the intellectual sphere. This potential can and must be used.

Finally, the international situation itself requires that Russia be not merely a historically great power, but a great power right now, when we are witnessing a move away from "Cold War" toward a totally different structure of the world.

Yevgeniy Primakov identified three negative trends that require our active influence in the international arena in favor of advancing positive processes.

One such trend is the attempts to make out that there are winners and losers in the "Cold War." If we allow this trend to develop, the world community will lose the confidence that we won a universal victory in the "Cold War." This is the road to destabilization of the situation and to a new division into losers and winners, "white" and "black."

The second negative trend that must be countered by Russian foreign policy is aimed at creating a unipolar

world. Since the end of the "Cold War" the world has moved away from the division into two camps and toward a multipolar model. But this switch is not a jump but a process that will take a long time. And during this time a desire to make the world unipolar and to subordinate the interests of other states to the interests of a single superpower is emerging, albeit only hazily [punkirno]. I do not think that the U.S. Administration is consciously pursuing this line, Yevgeniy Primakov remarked. However, one way or another thoughts of a unipolar world are around not only in books by political scientists, but also, unfortunately, in the heads of certain politicians. The world should be based on the interests of many states. Russia should be one of the poles in a multipolar world and not align itself with others.

Finally, the third negative trend that our active foreign policy must counter is as follows: The openness of Russia's economy must not be accompanied by the country's entry into the world economy as a raw materials appendage. We must think about this, take active steps, maneuver, and have countermoves in spheres accessible to us. All this is part of our system of vital interests.

The tasks facing Russia's foreign policy necessitate working in all directions, the minister stressed. I would particularly like to single out China. This is a very important priority for us. The Chinese leadership accepted without undue delay the Russian president's proposal that our relations be designated relations of trusting, equal partnership aimed at strategic collaboration in the 21st century.

Relations with India and the countries of Latin America, the Near East, and Asia and the Pacific are very important to us. The European sphere plays a very great role in our policy.

However, we cannot concentrate on any one sphere, no matter how important it may be. For instance, the American sphere, because in that case we will lose flexibility in our policy, and the result of this may be that conclusions about equal partnership with the United States itself are meaningless.

The priority task is to implement a foreign policy that defends Russia's national interests as much as possible. But will this not lead once again to a slide into confrontation? According to our assessments, it should not lead to this. First, because the area of coincident interests of various countries aimed at eliminating existing and newly emergent crises, combating organized crime and the drugs trade, reducing the danger of the arms race, preventing the proliferation of weapons of mass destruction, and so forth has expanded since the end of the "Cold War." And, second, we are guided by a kind

of dialectic — we seek to defend our interests without sliding into confrontation with other states. This is perhaps the new element in our approach today.

After the end of the "Cold War" we evened out and normalized relations with our former adversaries. But at the same time there were devil-may-care calls, lacking any realistic assessment of reality, for strategic alliance or for joining the "club of civilized states" at all costs. It soon became clear that at the present stage this does not accord with Russia's interests and could lead to a loss of independence in foreign policy, which cannot be allowed under any circumstances. So we are steering a course toward equal partnership relations. Russia cannot be a follower who simply copies every movement made by the leader. Russia is a great state that has its own foreign policy.

The policy of equality is bearing fruit. At my first meeting with U.S. Secretary of State Christopher in February of this year we agreed that the following principles should be put into practice in our relations: not springing surprises and confronting each other with faits accomplis; consulting on questions of interest to both sides; finding solutions wherever possible; not descending into confrontation if a solution cannot be found.

In general, in principle, all this is being complied with. But there are two irritants in our relations with our former "Cold War" adversaries.

One is NATO enlargement. During numerous contacts with representatives of the Western countries the Russian president and Russian Federation Foreign Ministry have pointed out that in the event of NATO enlargement, particularly if NATO military structures advance toward our territory, an unfavorable geopolitical situation will be created for Russia. The situation will change fundamentally. Just consider. We recently celebrated the elimination of medium-range missiles as a type of arms. What now? If, say, tactical missiles with nuclear warheads end up close to our territory, and with a shorter flight time than the destroyed medium-range missiles, what, are we supposed to welcome this?

We are told: You need not worry, because nowadays NATO presents no threat to Russia. But intentions in politics are changeable things.

Incidentally, I recently asked for material from 1990-1991 to be selected from the archive. There were conversations between Mitterrand, Kohl, Major, and the U.S. leaders and Gorbachev and the foreign minister of the time. At that time all the Western officials said that NATO would not expand even an inch to the east. Mitterrand claimed that the countries of the former

Warsaw Pact would never be admitted to NATO under any circumstances. Fine, so much for intentions.

Why should we base our counter-position solely on our opponents' present intentions? That won't work. We need dialogue, we need solutions, we need a compromise. But there is one thing this compromise cannot include — the advance of the NATO infrastructure to our borders. We must reach agreement on the remaining issues. We can have good, healthily-based relations with a non-expanding, evolving NATO.

The second irritant is negative attitudes in the West toward integration processes in the CIS. This mirrors the official Soviet position in the sixties regarding integration in West Europe: Integration cannot develop under capitalism, there is no objective basis for it because contradictions are bound to prevail. And if anything is being done, it is being done by the United States in order to create an artificial economic basis for NATO.

Many of our partners in the West are now adopting the same posture (only in mirror image), accusing Russia of using imperial methods and claiming that there is no objective basis for an integrated community on the territory of the former USSR.

This is entirely untrue. There is an objective basis, and a most substantial one. From the territorial viewpoint the CIS countries were a single state not for the 70 years of the Soviet period but for centuries. And over this time there were large-scale migration processes and the demographic situation changed fundamentally.

Nowadays there are 26 million Russians outside Russia. There are also tens of millions of Russian-speakers, including a great many representatives of the eponymous nations in the republics. This naturally fuels the desire for integration.

From the economic viewpoint the Soviet Union was more integrated than anyone in the world had ever dreamed of. And when the economic ties were severed, an objective yearning to reunite them remained. But there is a limiting factor in the integration process: We cannot set the task of recreating the USSR, that is infeasible, and even to set it would be counterproductive because we would thereby be upsetting relations with many CIS states and hampering integration processes.

The Foreign Ministry regards work in the CIS sphere as its main task and has appropriate instructions from the president. We have two aims in this work: to develop integration processes and support centripetal tendencies (while preserving the sovereignty of all Commonwealth states), and to eliminate conflicts.

Russia: Primakov To Accompany Chernomyrdin to G-7 Summit

LD2506133696 Moscow INTERFAX in English
1245 GMT 25 Jun 96

[FBIS Transcribed Text] MOSCOW, June 25 (Interfax) — Russian Foreign Minister Yevgeniy Primakov will accompany Prime Minister Viktor Chernomyrdin to the G-7 summit June 28-29 in Lyon, Foreign Ministry spokesman Mikhail Demurin told journalists Tuesday.

Primakov will take part there in a G-8 meeting of foreign ministers, he said.

He will also hold a number of one-on-one meetings, including with French Foreign Minister Herve de Charette and United States Secretary of State Warren Christopher, Demurin said.

Russia: Absent Yeltsin Will Haunt G-7 in Lyon

MM2506150996 Moscow IZVESTIYA in Russian
25 Jun 96 p 3

[Article by Stanislav Kondrashov: "Leave Lyon Aside; Moscow Is More Critical"]

[FBIS Translated Excerpt] So Boris Yeltsin will not be flying to Lyon, where he was dreaming of telling the world that the G-7 had been turned into a full-fledged G-8. Clinton, Chirac, and the other five understood his refusal. When the trip was originally planned the Kremlin had in mind either a Yeltsin win in the first round, which would have given him a triumphant aura, or a grand television appearance at the world summit, viewed by the Russian voter in between the two rounds, to increase his chances of reelection.

On examining the situation more closely after 16 June, the president clearly decided not to risk it. The stakes were too high. He would lose rather than gain by being in Lyon, by leaving the country less than a week before the second round. Canvassing from the banks of the Rhone is not as effective as from the Kremlin hill on the bank of the Moscow River. The "black attache case" would be there, of course, but would the hand also be confidently monitoring the pulse of events flickering by in the Russian kaleidoscope. Moreover, foreign policy triumphs (even genuine, let alone imaginary ones) do practically nothing for the heart and mind, or for the stomach or purse of the ordinary Russian voter. In his priorities foreign policy gets only a pitiful two percent — less even than the cocky one who was once keen for soldiers to wash their boots in the Indian Ocean.

The "big seven" will be informed about the dramatic progress toward 3 July by Viktor Chernomyrdin, an interested outsider in the Russian presidential race. But even without him it is clear — and unanimously noted

throughout the world — that Russia cleared the first barrier, 16 June, successfully and in a surprisingly civilized manner. The fear and apprehension have been (so far!) unnecessary.

Not everyone is rapturous, but practically all observers in the West agree on three elements. First, the first round of the election was free and peaceful. Second, the two favorites are neck and neck, each having obtained one-third of the votes. Third, Yeltsin has a better chance of victory in the second round, because a large part of the one-third of the votes not yet accounted for by the favorites is expected to pass to him.

The general view is that the Russian president has taken an effective step without delay in an attempt to secure his reelection. It is the alliance with Aleksandr Lebed, in the hope of obtaining his voters' backing. But voters are not slaves, as Zyuganov rightly observed and as Yeltsin knows. So Yeltsin accompanied the appointment of the smart, honest, firm general with a clean-out of the Kremlin's Augean stables. Grachev's dismissal was followed by the removal of another two key people, Kozhakov and Barsukov, and also of first vice premier Soskovets, who has close links with them. [passage omitted]

Abroad Lebed is often compared to General Pinochet. At first glance this is reasonable, because he himself once made such a comparison. But thoughtful Western analysts immediately point out a difference. Russia clearly is not Chile. It is different in size and in traditions, it is in a different type of transitional period, and different forces are operating in it.

Although, on the other hand, the West would be more willing to see Lebed as a Russian Pinochet than as a neoimperialist springing up on Russian soil. Observers find consolation in the fact that the general is a quick learner and has evolved from nationalist to centrist, regarding the days of empire as gone forever. Some even — frivolously! — see Lebed as a man who is not opposed to NATO's eastward expansion, citing his earlier slip of the tongue about accepting Poland's and Hungary's membership of NATO....

But, to go back to where I began, it will in any event be duller in Lyon than in Moscow, which remains the center not only of Russian but of world attention. The specter of Yeltsin and his future will be hovering above the table at which the "big seven," whom he so much wants to join as an eighth and equal member, are gathered.

Russia: Yeltsin Formulates National Security Guidelines

LD2506155396 Moscow INTERFAX in English
1503 GMT 25 Jun 96

[FBIS Transcribed Text] MOSCOW, June 25 (Interfax) - The United States shows certain ambiguity in its attitude to Russia, Russian President Boris Yeltsin said in his annual address to the Federal Assembly, forwarded to Interfax Tuesday.

"On the one hand, the United States is not interested in the emergence of a new powerful competitor both on the world markets and in global politics," Yeltsin said. "On the other hand, in the long term the United States must be interested in having Russia as a rather consolidated center of force playing a stabilizing role in Eurasia.

"The presence of large nuclear potentials of both Russia and the United States, as well as new regional challenges to international security, prompt us to establish and develop equal and partner-like relations," Yeltsin said.

"Russia and the United States have a number of matching interests, particularly to stop the proliferation of mass destruction weapons, drug trafficking, international terrorism, etc.," he said.

At the same time, "Western countries led by the United States still have common approaches to the guidelines of global development, which makes them coordinate their efforts to promote their matching interests, including the relations with Russia, particularly in the military and political field," Yeltsin said.

He was seriously concerned about the trend for NATO expansion eastward. "This trend is likely to result in NATO's actual advance to Russian borders, change the balance of forces in Europe, affect Russia and create the danger of its isolation," he said.

Yeltsin admitted that the current military situation could be characterized by a considerable decrease of the potential danger of a direct large-scale aggression against Russia. "Russia itself does not consider any state as a military opponent and seeks to develop equal and partner-like relations with the major military powers and their interstate associations," he said.

At the same time, "the potential military danger still remains and sometimes even grows on the regional level," Yeltsin said.

"The main current sources of military danger for Russia are the existing and potential armed conflicts, above all near the Russian borders, international terrorism and development of its ties with political extremists in Russia and other former Soviet republics," he said.

Other potential sources of military danger are "the proliferation of nuclear and other mass destruction weapons, means of delivery and modern military technology against the background of attempts by individual countries, organizations and terrorist groups to implement their military and political ambitions," Yeltsin said.

"Russia does not plan to confront any of the international centers of power, nor to become unilaterally dependant on them," Yeltsin said. "Its strategy toward them within the next years will be based on the principle of equal approximation."

"This will create conditions for Russia's gradual joining the centers of global economic development, which implies promoting cooperation with the leading nations, above all with the United States, and eventually the actual joining of the Group of Seven industrialized countries," he said.

Yeltsin called relations with other CIS nations "a priority."

"This is so because of two reasons. Firstly, Russia's vital interests in the security, defense, economic fields as well as in the protection of human rights of Russian citizens, irregardless of where they reside, are concentrated on the territory of the former Soviet Union. Secondly, efficient cooperation with the CIS states is a factor resisting centrifugal trends in Russia," he said.

"The possibility still remains to unite the newly independent states into a completely new modern geopolitical formation on the basis of equality, respect and territorial integrity and free will," Yeltsin said.

"A union with Belarus, Kazakhstan and Ukraine, provided the latter shows good will, may become the basis of Russia's policy toward the CIS," he said. "From the historic and civilization points of view, these countries cannot have reasons to confront each other. Our relations should be built on the good-neighborly and cooperative basis and eventually become those of allies."

Russia's national security goal in foreign policy is to "create a favorable environment for the country's internal development," Yeltsin said. "The key condition of its achievement is the maintenance of peace and peaceful resolution of all interstate disputes and differences, not affecting Russia's interests," he said.

"The specific features of the current external political situation, when a large-scale military danger does not exist, enable Russia to use all forces and resources available to achieve the top priorities, namely to accomplish the construction of the foundation of a constitutional

democratic system and spiritual and economic recuperation," Yeltsin said.

"To achieve true nationwide accord, a widely recognized outlook is needed, which would unite even the most radical and irreconcilable rivals and opponents," he said. "Such a basis could be comprised by the ideology of recovering the great Russia, a prosperous, democratic, free and responsible power, combining its historically specific features with the most valuable and up-to-date experience gained by mankind."

Yeltsin conferred all responsibility for general coordination and supervision of the national security policy on the Security Council of Russia.

Yeltsin also instructed his new aide for national security, Security Council Secretary Aleksandr Lebed, to coordinate, prepare, pass and implement day-to-day decisions concerning national security.

Russia: Defense Ministry Aide Explains N-Test Monitoring System

MM2606090296 Moscow ROSSIYSKAYA GAZETA in Russian 25 Jun 96 p 6

[Russian Federation Government Directive No. 683, signed by Premier Chernomyrdin and dated 23 April 1996, accompanied by commentary by Sergey Pichkin, under the general heading "Stethoscope for the Earth"]

[FBIS Translated Text] The proposal from the Russian Defense Ministry, coordinated with the Russian Foreign Ministry, the Russian Federal Security Service, the Russian Ministry of Atomic Energy, and the Russian State Technical Commission, to hold talks on the signing of an agreement between the Russian Federation Defense Ministry and the U.S. Defense Department on cooperation in establishing and operating seismic stations to monitor nuclear weapons tests and their nonimplementation is hereby adopted.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

[Dated] Moscow, 23 April 1996
No. 683

[Pichkin commentary] All countries with nuclear weapons have finally decided not to hold test-range tests of nuclear devices. The last to do so was China. It is now the world community's task to reliably monitor the observance of the moratorium so as to prevent the proliferation of nuclear weapons.

Only the United States and the USSR had set up special services able to implement guaranteed monitoring of nuclear explosions anywhere in the world. In 1947 the United States set up the Air Force Technical

Applications Center, and in 1958 the Soviet Union organized the Defense Ministry Special Monitoring Service.

A few years ago serious consultations began between the U.S. and Russian defense ministries on setting up a global monitoring system — an International Monitoring System capable of covering the entire surface of the earth.

Since monitoring of underground nuclear explosions is based on seismic stations, it was initially planned to pool efforts in the sphere of establishing and operating solely seismic monitoring stations, but today the horizons of cooperation within the International Monitoring System have expanded considerably. Here is what Major General Yuriy Cherepanov, chief of the Russian Federation Defense Ministry Special Monitoring Service, says on this score:

"Since the Comprehensive Test Ban Treaty bans nuclear explosions in all media, it is planned to set up a special monitoring mechanism — a comprehensive International Monitoring System. The plan is for global monitoring to be carried out by 170 seismic, 80 radionuclide, 60 subsonic, and 11 hydroacoustic stations located around the globe.

"It is proposed that the International Data Center which will collate all the information from the International Monitoring System stations will be located in Vienna. National monitoring centers will be able to receive uninterrupted information from any of the global system's stations. In Russia this role will be played by our Special Monitoring Service's Information Collection and Processing Center.

"In order to strengthen mutual confidence it has been decided to set up an international monitoring system with its center in a neutral, nonnuclear country — Austria. The center's personnel will be international.

"As of 1 January 1995 a group of scientific experts from the Geneva Disarmament Conference's Special Committee for the Prohibition of Nuclear Tests have been conducting an international technical experiment aimed at developing a mechanism for the functioning of a prototype of the International Monitoring System. Naturally, Russia will be participating very actively in it. In particular, in addition to cooperation in the sphere of the collation and processing of seismic information, last September one of our units in the Ussuriysk region set up a joint U.S.- and Swedish-produced radionuclide station. It is being tested under our conditions in conjunction with Russian equipment. All the data is being analyzed by Russian, American, and Swedish specialists with a view to drawing up recommendations

on the utilization of the radionuclide monitoring method within the International Monitoring System."

Russia: Moscow Surprised U.S. May Attempt To Oust Butrus-Ghali

LD2506132296 Moscow INTERFAX in English
1235 GMT 25 Jun 96

[FBIS Transcribed Text] MOSCOW, June 25 (Interfax) — The recent statement made by U.S. State Department officials that their country may go as far as using its veto right to prevent re-election of Butrus Butrus-Ghali as U.N. secretary general "cannot but cause surprise," Russian Foreign Ministry spokesman Mikhail Demurin told a briefing in Moscow Tuesday.

This statement, he said, "is inconsistent with the U.N. practice of Security Council member states having confidential consultations among themselves about the appointment of a secretary general and never making their position public."

"We do not want this delicate issue to become the subject of public controversy and want it to be resolved in a business-like and constructive spirit with a view to consolidating the U.N. role on the eve of the 21st century," Demurin said.

Under the U.N. Charter, the forthcoming 51st session of the U.N. General Assembly will appoint a U.N. secretary general on the advice of the U.N. Security Council, he said.

Russia: Russia, China Agree To Cooperate in Asia-Pacific Region

LD2506122896 Moscow ITAR-TASS in English
1128 GMT 25 Jun 96

[By Grigoriy Arslanov]

[FBIS Transcribed Text] BEIJING, June 25 (Itar-Tass) — Russia and China are going to interact in the Asia-Pacific region without forming an alliance. Yevgeniy Afanasyev, Director of the Asian First Department of the Russian Foreign Ministry, told this to Itar-Tass today. He participated in the consultations of the foreign policy agencies of the two countries that were held here.

"Consultations showed that there is much in common in assessing the present situation and prospects in the Asia-Pacific region," he said. These consultations promote the view that strategic interaction of the two countries, which is not directed against third countries and does not envisage a Russo-Chinese alliance, should have specific contents, namely, cooperation for the purpose of building a multi-polar world with Russia and China playing an important role of being its poles, he said.

Taking part in the consultations from the Russian side was also Valeriy Malygin, Director of the Asian Second Department of the Russian Foreign Ministry. Taking part from the Chinese side were Deputy Foreign Minister Tang Jiasuan and Director of the Asian Department of the Chinese Foreign Ministry Wang Yi.

The sides discussed, specifically, the situation in the Korean peninsula, problems of security and economic integration in the Asia-Pacific region and the situation in south and southeast Asia.

"The interests of Russia and China coincide in virtually every area," Afanasyev said. "Russia and China proceed from the idea of mutual support aimed at the preservation of peace and ensurance of security and economic development and prevention of the restoration of vestiges of the policy of blocs in the area," he said.

Consultations on problems of the Asia-Pacific region have resulted from arrangements at the summit level to consolidate cooperation of the foreign policy agencies of the two countries. Several consultations of Russian and Chinese diplomat were held after Russian President Boris Yeltsin's visit to China.

Consultations on Hong Kong and other matters are planned, Itar-Tass learned from Russian diplomats. It is believed in the Russian Foreign Ministry that this work is very important in view of China's role in Asia and its being a large country of the world, Afanasyev said.

"China has considerable interests in Russia. Russia in its turn has its own interests in Asia and the Pacific," Afanasyev said.

Russia: Feelings 'Running High' Over PRC Treatment of Businessmen

MM2606085696 Moscow IZVESTIYA in Russian
25 Jun 96 p 3

[Reports by Aleksandr Matkovskiy and Maksim Yusin under the general heading "Siberians Released From Weifang But Still a Long Way From Home"]

[FBIS Translated Excerpt] Beijing — The Siberian businessmen taken hostage by the authorities in the Chinese city of Weifang, whose fate has already been reported twice by IZVESTIYA, have been released from their three-month captivity. They have been permitted freedom of movement — but only within the PRC.

They are currently in Beijing and are waiting for legality to be restored and their passports to be returned. I would recall that on 23 March the Weifang City Court ruled that the passports of Russian citizens Vasily Konstantinovich Chalikov and Aleksandr Lvovich Silchenko (I am giving their real names with their consent — A.P.)

be confiscated on the grounds that they were being sued by a Chinese firm for the recovery of debts. [passage omitted]

Irkutsk Oblast is prepared to declare a trade blockade against China. The Union of Industrialists and Entrepreneurs in the oblast and the entire East Siberia region has appealed to its fellow-countrymen to break off all business relations with Chinese partners until Chalikov and Silchenko are completely released. Local power workers are threatening to cut off electricity supplies to China. According to current information, feelings are running high in Siberia, and this could seriously damage interstate relations. [passage omitted]

The Russian Foreign Ministry, which we asked to comment, believes that one of the main reasons for the softening of the Chinese authorities' approach was the tough stance taken by Smolensk Square from the very outset. "We have taken every measure envisaged by diplomatic practice to ease the fate of our fellow-countrymen. Ultimately those efforts have had an effect," IZVESTIYA was told by a ministry staffer.

The Foreign Ministry's main success has been that the Beijing authorities — which agreed verbally with all their Russian opposite numbers' arguments — finally took concrete action and managed to force the Weifang city leaders to make concessions. By all accounts Beijing's stance was also influenced by the unusually sharp reaction of the Russian press (primarily IZVESTIYA) and Siberian business circles.

At any rate, the case of the Irkutsk businessmen has been a rare recent example of the Russian state's resolutely standing up for its citizens when they have been discriminated against abroad. The result was not long in coming.

Although, Smolensk Square believes that it is too soon to close the book on the affair of the "prisoners of Weifang." There is to be a court case which will determine whether the Russians really owe the Chinese "White Cloud" firm 1.4 million yuan (around \$170,000).

Russian diplomats' main task today is to strive to ensure that the hearing is held in Beijing. The Foreign Ministry is worried that if the hearing is organized in or around Weifang the owners of "White Cloud" will easily be able to influence the outcome by bribing or intimidating the judges.

Russia: Army Denies Selling Satellite Intelligence to North Korea

LD2506122496 Moscow IFAR-TASS World Service in Russian 1118 GMT 25 Jun 96

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Translated Text] Moscow, 25 Jun — A spokesman of the General Staff of the Russian Armed Forces has refuted reports that have appeared about the sale of satellite intelligence to the DPRK. Commenting today at the request of an ITAR-TASS correspondent on the statement of a defecting North Korean pilot who said North Korea is being paid for data on military bases of the Republic of Korea and the United States obtained with the help of Russian space systems, he stressed:

"Statements of this kind by the defecting officer are not worthy of attention, not only out of moral considerations but also because Russia does not trade in 'intelligence data'."

Replying to the question of a ITAR-TASS correspondent about the possible transfer to the DPRK of satellite photographs of the territory of the Korean peninsula in Soviet times, the spokesman of the Russian General Staff noted that even at that time North Korea did not to receive such data. In his opinion, prolonged confrontation has enabled the combatant sides to "accumulate a sufficient volume of necessary information without satellite intelligence."

The Russian Federation General Staff spokesman declined to comment on the reason for the appearance of reports casting aspersions on the the Russian Armed Forces. He expressed the supposition that "someone stands to gain from blackening the military organizations of the country on the eve of the second round of the presidential elections." But, he said, these are questions not of a military but purely political nature.

Russia: Moscow Calls For Early Resumption of Middle East Talks

LD2506122796 Moscow INTERFAX in English 1130 GMT 25 Jun 96

[FBIS Transcribed Text] MOSCOW, June 25 (Interfax) — Moscow believes that the earliest resumption of talks on the Middle East peace process in all areas would meet the long-term interests of the Arab and Israeli negotiators, First Deputy Director of the Russian Foreign Ministry information and press department Mikhail Demurin told a briefing in Moscow on Tuesday.

"It would be important if the Arab leaders confirmed their adherence to a further peace process on the basis

of the principles agreed upon at the Madrid conference, particularly the 'peace for land' idea," he said in comment on the results of the Cairo conference of the heads of state and governments of the Arab countries.

Demurin spoke positively about "the desire of the Arab leaders for a closer coordination of their activities" and expressed hope that "the trend to remedy the situation in the Arab world will continue."

Russia: Samara To Supply Passenger Aircraft to Iran

MM2506134096 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 25 Jun 96

[Report by Vladimir Babenkov: "Road Into Clouds. To Iran"]

[FBIS Translated Text] Samara — Within the framework of an agreement on scientific and technical cooperation concluded between Samara Oblast and Iran the delivery of Tu-154 passenger aircraft produced at the "Aviakor" joint-stock company aircraft plant is planned. An Iranian delegation which visited Samara displayed unfeigned interest in the aviation complex enterprises and aviation science. It is believed that the next meeting will take place in Iran, where contracts will be signed for the production and delivery of aircraft and other output to the Islamic republic.

Russia: Finland May Consider Asylum for Dudayev's Widow

LD2606101396 Moscow INTERFAX in English
0932 GMT 26 Jun 96

[FBIS Transcribed Text] MOSCOW, June 26 (Interfax) — The Finnish authorities do not have official information on whereabouts of Alla Dudayev, widow of Chechen separatist leader Dzhokhar Dudayev, but they may consider her request for political asylum in case such a request is made, a high-ranking staffer of the Finnish Embassy in Russia told INTERFAX Wednesday [26 June].

He said the Finnish authorities know about the recent interview of Vissarion Gugushvili, ex-emissary of late Georgian president Zviad Gamsakhurdia and associate of late Chechen separatist leader Dzhokhar Dudayev, with the ILTALEHTI newspaper in Finland.

Gugushvili said Alla Dudayev and her 13-year-old son are staying in a European country and plan to seek political asylum in Finland as soon as their documents are registered. He said the previous documents were confiscated from the widow by the Russian authorities.

The press has had no information about Alla Dudayev for almost two weeks. No reports have come after

she publicly voiced support to Russian President Boris Yeltsin seeking re-election in Moscow. According to Alla's father living in the Moscow region, she told him not to worry if he hears nothing from her for some time.

The Finnish diplomat did not comment on Gugushvili's words, but said the ILTALEHTI newspaper is something of a "gutter edition."

"As for hypothetical possibility of political asylum of Alla Dudayev in Finland, I can say only one thing: if this request is made it will be studied. All circumstances of the case will be studied, which will, certainly, require much time," said the embassy staffer.

Russia: Moscow Wants Karadzic Out of Political Scene

LD2506160796 Moscow INTERFAX in English
1513 GMT 25 Jun 96

[FBIS Transcribed Text] MOSCOW, June 25 (Interfax) — Moscow wants Bosnian Serb Chief Radovan Karadzic to leave the political arena but opposes the use of force to achieve this goal, a senior Russian Foreign Ministry official told Interfax Tuesday.

Commenting on the statement made by Carl Bildt, U.N. and European Union representative in Bosnia and Herzegovina, to the effect that Karadzic must under no circumstances be allowed to stay on the political scene, the Russian official said that Serbian President Slobodan Milosevic must not be subjected to excessive pressure to achieve that goal. Milosevic has been making a great contribution to peace and stability in the Balkans, the official said.

Bildt and the U.S. and its allies have brought a lot of pressure to bear on Milosevic in order to have him order Karadzic out of politics and threaten resumption of limited sanctions against Belgrade if Milosevic does not do so.

"Moscow takes a very negative view of this idea," the official said.

"The international community has lifted the sanctions against the Bosnian Serbs and suspended the sanctions against the Federal Republic of Yugoslavia. To reinstate them would be counterproductive," he said.

The official described the threat of resuming the sanctions as another attempt at "political intimidation and pressurizing the Serbs."

Russia: Moscow Denies Granting Military Aid to Tajikistan*LD2506151796 Moscow INTERFAX in English
1425 GMT 25 Jun 96*

[FBIS Transcribed Text] MOSCOW, June 25 (Interfax) - Russia's Foreign Ministry has resolutely refuted statements that Russian allegedly granted urgent military aid to Dushanbe in order to destroy detachments of the Tajik opposition in Tajikistan's Tavildara region.

Addressing a briefing in Moscow Tuesday, Russian Foreign Ministry spokesman Mikhail Demurin said that such insinuations are contained in the statement of the Tajik opposition leadership dated June 24 and addressed to the U.N. Secretary General and to heads of state for countries monitoring the inter-Tajik negotiations.

Leader of the Movement of Tajikistan's Islamic Revival Abdullo Nuri links the operations of the government forces in the Tavildara region with the visit of Russian Deputy Prime Minister Aleksey Bolshakov to Dushanbe in late May. Tajikistan's President Emomali Rakhmanov allegedly asked him to grant an opportunity to destroy the opposition units in Tavildara before July 1 and then to sit down at the negotiation table, Demurin said.

The document says that "the Russian party has not only agreed to this course but has reinforced its implementation materially by means of urgent military aid to Dushanbe," he said.

Russia "is convinced that the conflict in Tajikistan can be resolved exclusively by peaceful political means through an inter-Tajik dialogue."

Speaking about the situation in Tavildara, Demurin placed the blame for its sharpening on the Tajik opposition "whose detachments seized a substantial part of the Tavildara zone thus violating the ceasefire agreement."

"The U.N. Security Council condemned the actions and urged to immediately stop them," he said.

"Unfortunately, the opposition's leadership has not adopted any practical measures to withdraw its fighters from the seized regions but, vice versa, it declares its intention to further retain them. Such position would hardly facilitate creation of a favorable background for the next round of inter-Tajik negotiations in Ashgabat scheduled for July 8," Demurin said.

Russia: Doubts Persist Over Oil From Kazakhstan
*MM2506154496 Moscow ROSSIYSKAYA GAZETA
in Russian 22 Jun96 p 11*

[Article by Aleksey Baliyev: "The Affectionate Calf..." — from the "Documents" section]

[FBIS Translated Text] Kazakhstan is signing an agreement on pumping out its oil with everybody at once. But nobody is rushing to finance such enviable generosity.

...All questions have apparently been dealt with. The Russian-Kazakhstani agreement on the export shipment of oil from the Caspian's Kazakhstani sector signed at the end of April envisages that it will be pumped along an oil pipeline to Novorossiysk via the North Caucasus. But many important problems have still not been solved, and this could complicate the agreement's practical implementation.

First, it was signed not among all participants in the Caspian Pipeline Consortium [CPC] but only between certain of its participants — the Russian Federation and Kazakhstan. But beside the countries Chevron, Mobil, and Shell, representing U.S. interests, as well as British Gas and Italy's AGIP are joining the CPC at the end of April 1996. The combined share of Russia, Kazakhstan, and Oman Oil — the CPC's founders in 1992 — totals 50 percent. The above-mentioned foreign oil firms account for almost all of the other half.

Until the end of April Moscow, Almaty, and the Omani company Oman Oil were "sole" participants in this structure. But by summer 1996 they had to make some room.

So far the CPC's new participants have not reacted in any way to the Russian-Kazakhstani agreement. Although some of their experts have already called this document a "political declaration."

Most importantly, the sum total of investment in reconstructing the Tengiz-Atyrau-Astrakhan-Grozny pipeline (which pumps oil to Novorossiysk) has been estimated at \$1.2 billion. But to this day it has still not been determined who will finance this work and how it will be financed. Furthermore, this oil pipeline passes through Chechnya — which cannot fail to cause a "rejection" by foreign oil companies.

None of the CPC's participants "has any recollection" of the project to construct an oil pipeline bypassing Chechnya and reducing the oil transit distance (Astrakhan-Budennovsk-Tikhoretsk), although in 1993-1994 Western oil companies did promise to help Russia construct this pipeline. The construction of a major oil terminal near Novorossiysk, which is needed to increase the

port's oil export traffic capacity, is not yet backed by investment either.

Meanwhile Kazakhstan and the CPC's foreign participants are not ignoring alternative projects for pumping Kazakhstani oil for export. Recently Mr. Mak Kheffi [name as transliterated], vice president of the Azerbaijani oil consortium, stated that a "common" — Azerbaijani-Georgian or Azerbaijani-Georgian-Turkish — route for pumping Caspian oil from Azerbaijan and Kazakhstan had not been ruled out. That means that there is actually an alternative to transit through the Russian Federation(?).

In any case oil can be transported by operationally reliable systems. But, as already noted, the procedure for financing reconstruction work on the Tengiz-Grozny section has not been determined and the sources of this financing have not been officially announced. Furthermore, according to the draft of the CPC's renewed statute "the Russian and Kazakhstani sides make no investments and issue no guarantees"(?!).

Meanwhile Kazakhstan has other options up its sleeve. Back in fall 1995 Kazakhstan and Turkey signed an agreement on the transit of Kazakhstani oil through the Turkish Mediterranean port of Ceyhan. There are two "options" regarding this document's implementation — via the Mangyshlak-Baku undersea Transcaspian oil pipeline and then via the Azerbaijan-Georgia-Turkey route. The second option is to transport it via an oil pipeline through Turkmenistan and northern Iran, which will have to be constructed (and which British oil firms planned to put into operation back in 1918-1920!). It will then be transported via an oil pipeline route to Ceyhan (via east Turkey), which will also have to be constructed.

According to data from Kazakhstani sources a project for "superlong-distance" oil transit is also being devised — via an oil pipeline right across Kazakhstan to PRC ports. Thus, Almaty is not rejecting a single possible geographical option for exporting Caspian oil.

Of course, the \$1 billion or so which the Russian Federation will annually make from oil transit from the Caspian's Kazakhstani sector to Novorossiysk predetermines the activeness on the "transit" question. But the intention of the government of the "transit" country, like that of the oil-exporting country, by no means always coincides with the long-term interests of the foreign firms directly extracting oil destined for export exclusively to industrially developed countries.

Russia: Air Force Commander Meets Perot Representative

MM2606103896 Moscow KRASNAYA ZVEZDA
in Russian 25 Jun 96 p 1

[Report by Aleksandr Drobyshvskiy of the Russian Federation Air Force Press Center: "America Appreciates True Value of Gagarin's Party Card"]

[FBIS Translated Text] Army General Petr Deynekin, commander in chief of the Russian Federation Air Force, has met with Garri Mak-Killon [names as transliterated], representative of former U.S. presidential candidate Ross Perot. Since last year Perot has been giving aid to the Yu.A. Gagarin Cosmonaut Training Center Museum. In particular, he has financed the purchase of apparatus and equipment and has paid for three of the museum's staff to be attached to the U.S. National Air and Space Museum in Washington.

At a meeting at the Air Force High Command a number of international projects in the sphere of the history of aviation and space exploration were discussed. In particular, a long-term exhibition entitled "The Space Race," recounting the rivalry between the two superpowers in space exploration, will open next year at the National Museum in Washington. Mak-Killon intends to deliver to this exhibition Yuriy Gagarin's identity card, party card, and a number of other valuable exhibits, which will naturally be returned to Russia once the exhibition has ended.

Political Issues

Russia: Yeltsin Addresses Military Academy Graduates

LD2606093196 Moscow Interfax in English
0913 GMT 26 Jun 96

[FBIS Transcribed Text] MOSCOW, June 26 (Interfax) — The danger of global war has decreased, but military threats on a regional level continue, and Russia therefore needs a strong army, President Boris Yeltsin said Wednesday in honoring Russia's military academy graduates. Many local wars are still raging near Russia's borders, he said. "The expansion of NATO and the new split of Europe is especially worrisome," Yeltsin said. "All this means Russia needs to have a strong army which could be the support of Russian statehood, a reliable guarantee of the security, unity, and stability of our Motherland."

Currently, "the armed forces are sufficiently battle-fit, controllable, and on the whole are able to carry out their assigned tasks," said the commander-in-chief of the armed forces.

Work on creating a single infrastructure for all the armed forces is underway, and steps are being made toward solving the troops' social problems, he said. "Our soldiers and officers are successfully carrying out peacekeeping functions in accordance with Russia's international obligations," Yeltsin said.

"The strength of the Russian soldier's morale was put to a serious test in Chechnya," he said. "We have seen that a lot still has to be done for real military reform," he added.

The goal of these reforms is to create a professional, mobile, and well-equipped army and navy, he said. This will take great effort not only from the military, from the entire society and all government structures, he said. "The Russian army is on the threshold of serious reforms."

The class of 1996 will determine the future of the Russian military, for it is upon them that the battle-fitness and the strength of the Russian forces will depend at the start of the 21st century, Yeltsin said.

The president congratulated the graduates and wished them good health and success in the name of and for the glory of Russia. His speech was met with repeated calls of "Hurrah!"

Russia: Yeltsin Discusses Personnel Changes, Promises More To Come

LD2606103196 Moscow ARGUMENTY I FAKTY
in Russian 26 Jun 96 pp 1, 2

[Interview with Russian President Boris Yeltsin by Andrey Uglanov; place and date not given: "Boris Yeltsin: 'A Team Is Being Formed That Is Serious, Powerful and Here To Stay'"]

[FBIS Translated Text] [Uglanov] Boris Nikolayevich, you will understand that the most burning question concerns personnel changes in the highest echelons of power. The most varied theories and rumors are circulating. Just one forward was dismissed from our national soccer team and the whole country is debating who was right and who was in the wrong. All of a sudden several generals and a first deputy prime minister are off the team!

[Yeltsin] I understand, of course, that such critical personnel changes might appear unexpected to some people.

But that is only to those who pay little attention to our political life. I warned many times that the government would be seriously renewed, I talked about it in Yekaterinburg. Remember, Chernomyrdin took over from Gaydar, Kadannikov and Kazakov from Chubays, Burbulis and Kozyrev resigned, there have been personnel changes time and again in the Finance Ministry, Central Bank, Economics Ministry, Agriculture Ministry... [ellipsis as published]

The presidential team has changed and will change, but not out of considerations of political expediency, and certainly not under pressure from opponents. The main principle of renewal is that a professional should be in a post where he can be of most benefit to the state and the people. If he has stopped meeting that demand, he has to go.

All the recent personnel decisions were thought through and prepared. Oleg Soskovets was in due course removed from participating in the presidential election campaign, his powers were restricted. And serious warnings were given many times to Korzhakov. It was exactly the same with Grachev.

What happened is like an ocean wave: it is created in the depths for good reason but, when it reaches the shore, people are surprised and wonder where it came from.

[Uglanov] But isn't it important not simply to make personnel changes, but to make them at a time when they will have maximum positive effect. Why did you take your decisions right now, and not when State Duma deputies and supporters of the democratic opposition

were insisting on them, or after the second round of the elections? After all, people say, "You can't change horses in midstream".

[Yeltsin] Now that the political situation is extremely critical, every wrong move results in many losses. So the whole presidential team needs to act as accurately and as concertedly as possible, even the slightest mistakes are inexcusable.

To take the most difficult question: Korzhakov. Aleksandr Vasilyevich is no stranger to me. I owe him a great deal. He was with me at the most difficult times and the most dangerous moments.

But his character is such that he decided that everything that the president himself is involved in falls within the interests of the Russian Presidential Security Service; from the problems of the oil industry to the strategy and tactics of his electoral campaign.

I could put up with this as long as it annoyed me personally, but when such "activity" began to hinder serious work, then harsh decisions had to be made.

I can be a family friend of Aleksandr Vasilyevich, that is my personal business. But if he wants to enter major politics, he shouldn't do it through the back door.

Russians, the majority of whom voted on 16 June to maintain the course taken five years ago, nevertheless made it clear that they are waiting for new people to join the president's team and for certain corrections to our work program. I took this as the will of the voters as a direct guide to action.

[Uglanov] Are the personnel changes connected with Lebed's appointment?

[Yeltsin] Lebed is the president's aide on national security and secretary of the Security Council. The president decides personnel issues independently, although Lebed's appearance in the team has, of course, had an effect on the personnel decisions.

Union with Aleksandr Ivanovich was also envisaged earlier. The first round of the presidential election simply accelerated the process.

If 14 percent of Russians trust Lebed, he can be thought to have passed an exam in the right to work as a professional in major politics.

Our programs are very similar in many respects. I have now written seven pages from Lebed's program into my action plan. This mainly concerns introducing order in the country and the main areas of military reform. As not an insignificant part of the electorate supports Aleksandr Ivanovich, then let him work for the good of the whole of Russia.

[Uglanov] What role does Anatoliy Chubays play in your team?

[Yeltsin] He heads one of the groups of analysts in the campaign headquarters.

[Uglanov] There are rumors of Anatoliy Chubays's return to the government, even as premier.

[Yeltsin] I have not planned and am not planning to bring Chubays back into the government. I am forming a new team, relying on the opinion of the electorate. New, authoritative, professional people are joining, like Lebed.

There will be more personnel changes, more new specialists will join; a team is being formed that is serious, powerful and here to stay.

Russia: Yeltsin-Chernomyrdin Meeting on 25 Jun Detailed

MM2606102796 Moscow KRSNAYA ZVEZDA
in Russian 26 Jun 96 p 1

[ITAR-TASS report: "Working Meeting in Kremlin"]

[FBIS Translated Text] Russian President Boris Yeltsin has held the traditional Tuesday working meeting with Prime Minister Viktor Chernomyrdin. According to Sergey Medvedev, the president's press secretary, during the meeting they discussed the sociopolitical and socioeconomic situation that is developing in the country on the eve of round two of the election.

Special attention was paid to social problems. Viktor Chernomyrdin informed Boris Yeltsin about progress in the payment of compensation to Sberbank savers. At present over 1 trillion rubles have been paid out. According to the prime minister the payments are proceeding steadily and the process is well organized. During the meeting there was also a discussion of a plan to compensate all Russians who placed their trust in dubious commercial structures which subsequently went bankrupt.

Viktor Chernomyrdin informed Boris Yeltsin about progress in the payment of arrears for wages, pensions, allowances, and grants. The president demanded that this work be stepped up and that every leader irrespective of office be held strictly accountable for the fulfillment of these instructions.

The head of state and the head of the government examined progress in the fulfillment of the president's plan for the settlement of the Chechen crisis. Cadre policy problems were discussed.

Russia: Yeltsin Decree Establishes Political Advisory Council*LD2506174296 Moscow INTERFAX in English
1715 GMT 25 Jun 96*

[FBIS Transcribed Text] MOSCOW, June 25 (Interfax) — Russian President Boris Yeltsin has signed a decree transforming the Public Chamber reporting to the president into a Political Advisory Council.

The presidential press service says that this has been done at the instigation of numerous political parties and movements with a view to improving the cooperation between various federal authorities in the creation of a legal framework for economic and political reforms and involving the broad public in this process. The president invited the parties inside and outside the State Duma to send representatives to the council immediately.

Under the decree, the head of the Presidential Main Board on Constitutional Guarantees of Civil Rights, a deputy chief of the presidential staff, will be the council's secretary.

Russia: Yeltsin Signs Edict on Federal Protection Service*MM2506130996 Moscow ROSSIYSKAYA GAZETA
in Russian 25 Jun 96 p 1*

[Russian Federation Presidential Edict No. 938 "On the Russian Federation Federal Protection Service," signed by Russian Federation President Boris Yeltsin in the Kremlin, Moscow, on 19 June 1996]

[FBIS Translated Text] In connection with the adoption of the federal law "On State Protection" I decree that:

1. The Russian Federation Main Protection Directorate be renamed the Russian Federation Federal Protection Service.
2. Lieutenant General Yuriy Vasilyevich Krapivin is appointed chief of the Russian Federation Federal Protection Service.
3. This edict comes into force on the day it is signed.

[Signed] Russian Federation President Boris Yeltsin
[Dated] The Kremlin, Moscow, 19 June 1996

Russia: Ilyukhin Says Chernomyrdin May Be Dismissed*LD2606111796 Moscow INTERFAX in English
1106 GMT 26 Jun 96*

[FBIS Transcribed Text] MOSCOW, June 26 (Interfax) — A sharpening struggle between three competitive groups in Yeltsin's circles is one of the major destabi-

lizing factors in Russia, chairman of the State Duma Security Committee Viktor Ilyukhin (the Communist Party faction) told a press conference in Moscow Wednesday [26 June].

He predicts that dismissal of head of the government Viktor Chernomyrdin may follow dismissal of Pavel Grachev, Aleksandr Korzhakov, Mikhail Barsukov and Oleg Soskovets.

According to Ilyukhin, there exist three competing groups in Yeltsin's close circles.

Grachev, Soskovets, Korzhakov, Barsukov made one of them: the group of power ministers and administrative managers. Chernomyrdin and "several other officials" make up the second group, the fuel and energy group. The third, an industrial-financial group, consists of Moscow Mayor Yuriy Luzhkov, head of the Most group Vladimir Gusinskiy, president of the LogoVAZ company Boris Berezovskiy, president of Alfa-Bank Petr Aven, Sergey Filatov, Anatoliy Chubays and several presidential aides.

The third group which was rendering the greatest pressure on Boris Yeltsin and "has wide contacts with business and other circles in the United States, Israel, etc." has gained victory now, Ilyukhin said.

Russia: More Deputy Premiers Likely To Be Dismissed*MK2606110696 Moscow SEGODNYA in Russian
25 Jun 96 p 2*

[Report by Elmar Murtazayev: "More Deputy Premiers Will Be Dismissed. Leaders of the Social and Agrarian Sectors Are Lining Up To Follow Oleg Soskovets"]

[FBIS Translated Text] Governmental staffers have told the editorial board of SEGODNYA that Deputy Premier Yuriy Yarov can be dismissed today. The deputy premier will leave the post of deputy chairman of the Government in charge of the social sector. He will probably be replaced by a representative of the Yabloko movement, with which the Kremlin is going to form a coalition.

The intention of the presidential administration to create a single anti-Communist front has played an extremely important role in Mr. Yarov's dismissal. In addition to the political factor, however, in the opinion of some sources in the presidential administration, the dismissal of the deputy premier is also linked with the Government's actual failure in its social policy, which was partly confirmed by the results of voting among socially unprotected population strata.

At the same time, the prospects that Yabloko representatives will come to the Government — looked upon as an accomplished fact only a week ago — are becoming increasingly dim. The ambiguous results of the movement's congress are calling in question the advent to the Government of Grigoriy Yavlinskiy himself, although only a week ago the Yabloko leader was prophesied the post of first deputy premier in charge of economic matters. It was supposed then that Oleg Lobov will deal with Chechnya, Vladimir Kadannikov will be moved to take care of industry, whereas Mr. Yavlinskiy will deal with macroeconomic issues. Now, however, it is obvious that Yabloko people can appear in the Government either on posts of heads of various social agencies and in the chair of their supervisor, Mr. Yarov, or in the capacity of heads of various committees and sectoral agencies. After all, in Viktor Chernomyrdin's words, the Government is capable of handing out 11 portfolios, and "there will be enough work for everyone."

Government staffers say that the dismissal of the deputy premier in charge of agriculture, Aleksandr Zaveryukha, is also probable. The explanation is very plain: the results of the first round of voting. The agricultural wing of the Government, not without grounds, is being blamed by Boris Yeltsin's election headquarters for the peasants' unanimous vote against Boris Yeltsin and their forming the core of the Communist electorate. Nonetheless, it is not quite clear who is going to replace Mr. Zaveryukha. Proceeding from the plans to form an extensive political coalition, it is a Yabloko representative who can reasonably be expected to become deputy premier. There is no one in the democratic opposition party, however, to deal with problems of agriculture. Proceeding from the principle of career promotion, Mr. Khlystun, minister of agriculture, should become one, but, after the sequence of his dismissals and reappointments to this post, it is hard to believe that such a speedy promotion would be likely. Finally, this matter can be viewed from the perspective of sectoral representation. In this case, however, either Mr. Zyuganov, who represents numerous kolkhoz members, has to be invited to the post of deputy premier or Mr. Zaveryukha, backed by a small number of Russian farmers, has to be retained.

Obviously, however, all of the recent shake-ups are directly linked not only with the struggle between specific political and economic groups in the Government but also with the fight between proponents of various concepts of the conduct of the election campaign. The so-called sectoral principle of voting, supported by Mr. Soskovets, has shown its total unsoundness. As a consequence, staff changes have started. In any case, the relative stability of the Government, based on the bal-

ance of forces, was disrupted after the events of 19 June. Therefore, it can be presumed that the purge will not end with the dismissal of three deputy premiers.

Russia: Zyuganov Meets With Federation Council Speaker

LD2506122996 Moscow INTERFAX in English
1132 GMT 25 Jun 96

[FBIS Transcribed Text] MOSCOW, June 25 (Interfax) — Chairman of the Federation Council Yegor Stroyev met earlier today with leader of the Communist Party Gennadiy Zyuganov.

No personnel issues were discussed during the conversation, Stroyev said.

No Cabinet offer has been made either to either him or to other Federation Council members, Stroyev said.

The Federation Council "has always been and will continue to be against extremes," Stroyev stressed, urging the council "to search for concord rather than for confrontation in society."

Stroyev said he informed President Boris Yeltsin of his talk with Zyuganov.

The speaker revealed that he would discuss the pre-election situation in Russia with Yeltsin at a meeting tentatively scheduled for 2.30 p.m. tomorrow in the Kremlin.

Russia: CPRF Faction Scheming To Replace Zyuganov With Shabanov

MM2506145896 Moscow IZVESTIYA in Russian
26 Jun 96 p 2

[Article by Gennadiy Chugayev: "Communists Call For Compromise but Envisage Party Dictatorship"]

[FBIS Translated Text] At a time when Russian Communist leader G. Zyuganov, emulating his rival in the presidential race, has started to carry out extremely risky political maneuvers (which is what the proposal for compromise with the existing regime is), behind his back, in the ranks of the party, developments are taking place which could (given a certain combination of circumstances, of course) exert a substantial influence in the near future on the situation not only within the CPRF [Communist Party of the Russian Federation] but also in Russia as a whole.

While Communist Party leaders G. Zyuganov and V. Kuptsov are devoting themselves to the election struggle, the figure of a new political player is becoming increasingly discernible in the party leadership. The name A. Shabanov is starting to be mentioned increasingly

frequently in frank conversations with CPRF representatives.

Communist deputy and Moscow State University Doctor A. Shabanov (he is 61) can quite rightly be considered a representative of the new CPRF nomenklatura. He was not part of the CPSU nomenklatura, but he nevertheless ranks third in the party hierarchy today. He is considered to be a member of G. Zyuganov's team, while at the same time enjoying popularity among the orthodox wing of the CPRF. He is not involved in public politics, concentrates on intraparty work, and is little known to the public at large. But he is being cited by many in the party as the most likely candidate for the role of leader not only of the CPRF but possibly of Russia.

Information obtained from various sources inside the CPRF make it possible to conclude that a section of the party leadership has elaborated a scenario under which A. Shabanov would move up to number one by 1988. The main condition for the success of the intrigue is a G. Zyuganov victory in the presidential elections.

Immediately after this victory the plan is to convene a CPRF congress at which G. Zyuganov would have to temporarily relinquish his powers as party leader. The plan is that V. Kuptsov would be appointed acting general secretary ad interim. This part of the scenario is very predictable. But thereafter something more interesting is planned: A section of Communists, particularly those who do not trust G. Zyuganov even now, would have to start an active campaign to discredit their erstwhile leader. G. Zyuganov would most likely start being accused of not fulfilling his election promises, particularly not eliminating the post of president. Some time later, yielding to pressure, G. Zyuganov would propose that parliament (by then it would have to have switched to the full control of the Communists) adopt a law on amendments to the Constitution limiting presidential powers. To the best of my knowledge a draft law to this effect has already been formulated by CPRF lawyers under the leadership of A. Lukyanov. It is planned to replace the head of government at the same time that the law is adopted.

In the event that G. Zyuganov is elected president, it is indeed proposed that a politically neutral figure be made premier (the ultimate dream candidate would be Yu. Luzhkov), but after the Communists start controlling the situation in the country a more tested comrade will be required to head the government. And this is where the figure of A. Shabanov could rise to the top.

As far as can be ascertained, the group supporting him intends to kill two birds with one stone: After curtailing the president's powers, to simultaneously remove V.

Kuptsov, who would have served his purpose, from the post of party leader, replacing him with A. Shabanov, and to promote Shabanov to premier. Here resistance can be expected from the supporters of Yu. Maslyukov, who is also being measured up for the post of head of government, but it will hardly be serious.

It is planned to complete all these reshuffles in late 1997 or early 1998.

It is not hard to discern that the successful realization of this scenario not only removes V. Kuptsov from the political stage but also puts G. Zyuganov in an extremely tricky situation. In this event he, as a politician and head of state, would have ceased playing an independent role and would have to fulfill the instructions of the party and the government. Impeachment, in other words. And then the country would again be headed, on completely legal grounds, by the general secretary of the Communist Party.

Military Issues

Russia: Yeltsin Appoints Lebed Chairman of Military Commission

LD2506120796 Moscow ITAR-TASS World Service in Russian 1127 GMT 25 Jun 96

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 25 Jun (ITAR-TASS) — Russian President Boris Yeltsin decided today to include Aleksandr Lebed, secretary of the Russian Federation Security Council and the president's national security aide, and Yuriy Krapivnin, head of the Federal Security Service, in the commission on the highest military posts, the highest military ranks, and the highest special ranks of the council on personnel policy under the Russian president. ITAR-TASS has been told by Sergey Medvedev, press secretary of the head of Russian state.

Sergey Medvedev said Aleksandr Lebed has been appointed chairman of the commission.

Russia: Dismissal of Some Generals 'Not Entirely Fair'

MM2506164496 Moscow IZVESTIYA in Russian 26 Jun 96 p 1

[Article by Viktor Litovkin under the "Lightning Analysis" rubric: "Dismissals According to Lebed"]

[FBIS Translated Text] Russian presidential edict 968 relieves representatives of the Russian Defense Ministry high command of their posts. They include Colonel General Viktor Barynkin, chief of the General Staff

Main Operations Directorate and first deputy chief of the General Staff. The same edict dismisses a number of deputy chiefs of the General Staff — Colonel General Anatoliy Bogdanov; Colonel General Vyacheslav Zherebtsov, chief of the Organization and Mobilization Main Directorate; and Colonel General Dmitriy Kharchenko, chief of the International Military Cooperation Main Directorate.

Lieutenant General Sergey Zdorikov, chief of the Russian Defense Ministry Educational Work Main Directorate, Colonel General Valeriy Lapshov, chief of apparatus for the Russian defense minister's assistants, and chief of armaments Lieutenant General Vladimir Shulikov, deputy commander of the Ground Forces for armaments, were also dismissed.

It is easy to see that the overwhelming majority of the dismissed generals were named by Aleksandr Lebed, secretary of the Security Council and the president's assistant for national security, as members of "SCSE-3" [State Committee for the State of Emergency-3]. Although Aleksandr Lebed subsequently stated that there was no question of a coup, he promised that all the officers he had named would be dismissed.

Colonel General Anatoliy Sitnov, deputy defense minister and Russian Army chief of armaments, who was also mentioned by Lebed, is missing from the list of dismissed people. Gen. Sitnov is currently in Paris at an international arms exhibition, and the question of his continued service will clearly be resolved after his return from France.

Many observers note that the dismissals are not entirely fair. Yes, the dismissed officers include generals who by their behavior have compromised both their own rank and their post. But there are also "innocent victims." This merely shows that today President Yeltsin is prepared to meet many demands by his national security assistant. Many or all? The appointment of the minister will show which.

Russia: General Kharchenko 'Never Expected' Dismissals by Yeltsin

LD2506123196 Moscow INTERFAX in English
1140 GMT 25 Jun 96

[FBIS Transcribed Text] MOSCOW, June 25 (Interfax) — A decree by Russian President Boris Yeltsin to sack a group of army generals has taken them aback, Col. Gen. Dmitriy Kharchenko, ex-chief of the Main International Military Cooperation Department, has said.

He said he "never expected such a turn of events."

Kharchenko said the dismissed group includes some of the generals who studied or served with ex-Defense

Minister Pavel Grachev. Most of them have been described by newly appointed Security Council Secretary Aleksandr Lebed as "plotters" who gathered in Grachev's office after the news about his dismissal came in.

Russia: Military Source Refutes Rumors of Kolesnikov's Resignation

LD2606082396 Moscow INTERFAX in English
0744 GMT 26 Jun 96

[FBIS Transcribed Text] MOSCOW, June 26 (Interfax) — A high-ranking staffer of the Russian Defense Ministry has refuted press reports claiming Chief of the Russian Armed Forces' General Staff Gen. Mikhail Kolesnikov sent in his resignation.

"Kolesnikov remains on this post and fulfills the duties of the defense minister on instruction of the president," the source told Interfax Wednesday.

He said, however, that the president's decision to dismiss seven top-ranking generals, including three of Kolesnikov's deputies, came as a complete surprise to the acting defense minister.

Russia: Former Marshal Kulikov Urges Maintaining Military Draft

MM2506143896 Moscow KRASNAYA ZVEZDA
in Russian 22 Jun 96 p 1

[Interview with former Marshal of the Soviet Union Viktor Kulikov by Aleksandr Prasol; place and date not given: "Marshal of the Soviet Union Viktor Kulikov: Impossible To Ignore Lessons of Great Patriotic War"]

[FBIS Translated Excerpt] Viktor Georgiyevich Kulikov is one of the few surviving front-line officers who was involved in the Great Patriotic War from the very outset. And who but he — a man who rose through the ranks in his decades of service in the Armed Forces from private to marshal — should ponder the lessons of the war and the Russian Army's current position. [passage omitted]

[Prasol] Viktor Georgiyevich, I have frequently heard your speeches in the presence of Russia's top leaders. You constantly speak about the need to strengthen defense and about reform of the Armed Forces. Is there such an urgent need to "sound the alarm" so often?

[Kulikov] There is no point in drawing parallels with the last war, but it is impossible to ignore the lessons of the past. The Soviet Union's Armed Forces during the postwar period and particularly the last decade were so strong that they could have waged war in several sectors at once, had it been necessary. Parity with the likely enemy, as we are accustomed to say, cost us very

dear, but the people were resolutely aware that the Army reliably defended the country.

After the breakup of the USSR Russia obtained a considerably weakened Army. After all, the most combat-capable military districts had "gone" to the sovereign states and defense enterprises' production integration had been disrupted. The dissolution of the Warsaw Pact Organization was a severe blow at a time when NATO still existed and was revamping its structures in view of the new world situation.

As someone who led the General Staff for a long time I can say firmly that the Russian leadership has done a great deal to ensure defense capability. But we cannot stop. Urgent reform of the Armed Forces will help to further strengthen them. Admittedly, some things sometimes perturb me. I do not believe, for instance, that under present conditions contract service will be able to resolve the cadre issue in the Armed Forces. Our state has too great a variety of climatic conditions and regions where soldiers have to serve; they are deployed both in tundra and in what is virtually desert. Will a contract serviceman go to serve on equal terms in the North when he can be appointed to a similar post in central Russia, say?

Many people primarily see professional service as an opportunity to obtain higher wages. I will not dispute the fact that a serviceman should be paid a decent wage. But a professional soldier is primarily a top-notch specialist. And he is paid high wages for his combat skill and his ability to operate highly complex combat hardware. In that respect our Army and Navy are now professional since virtually the entire corps of officers, warrant officers, and ensigns is made up of people with a good military education.

I would like to make one comment about contract staffing. I would like to work as an operator, for instance. So would a couple of other people. But the General Staff needs all posts to be filled without exception and it needs mobilization reserves. Anyway, I think that only inducted service, mandatory for all physically fit young men, will be able to help them become true citizens, patriots of their Fatherland.

I recently heard Archbishop Kirill say that military service also helps with spiritual development. The clergyman did not even admit to religious seminary guys not serving in the Army. As someone who spent 50 years in the Army I see that approach as tremendously important. After all, someone strong in mind and body, someone who loves their country will never allow an enemy to enter their territory. We members of the generation who were brought to our feet by a hail of fire did not dodge the lethal rain. Many of us who returned

from the war were brought down by pieces of Krupp steel left in our bodies after the war. But we stand firm and must be confident that we are handing over Russia's security to strong young hands.

Regional Affairs

Russia: Chernomyrdin Shown on Visit to Orenburg Missile Plant

MM2606114196 Moscow Russian Public Television
First Channel Network in Russian
1700 GMT 14 Jun 96

[FBIS Summary] Moscow Russian Public Television First Channel Network carries in its 1700 GMT "Vremya" newscast on 14 June a video report by Natalya Chernyshova on Prime Minister Viktor Chernomyrdin's visit to Orenburg. Video shows Chernomyrdin talking to people in the street and visiting an unnamed defense plant. The report says: "While Chernomyrdin was being shown the latest antisubmarine cruise missile, which does not register on radar screens, the journalists were taken on a tour of a non-classified production unit, which used to produce drones, 700 of them per year. Now they are making window frames here." Video shows production unit. Chernomyrdin is shown touring the plant and addressing a meeting. Report closes with street scenes.

Russia: Chernomyrdin Tells Nuclear Workers Science To Be Funded

LD2606100596 Moscow ITAR-TASS World Service
in Russian 0746 GMT 26 Jun 96

[By ITAR-TASS special correspondent Gennadiy Yezhov]

[FBIS Translated Text] Sarov (Nizhny Novgorod Region), 26 June (Itar-Tass) — "The crisis point has passed and the state has accumulated sufficient resources to support science," head of the Russian government Viktor Chernomyrdin said today. He was speaking at an award ceremony for staff of the All-Russian Scientific Research Institute of Experimental Physics in Sarov, where the major Russian nuclear center is situated which is marking its 50th anniversary [Arzamas-16].

The premier said that from now on, in line with a presidential decree signed two weeks ago, the proportion of expenditure on the development of science — with the exception of military projects — will comprise at least three percent of budget spending and, furthermore, it will increase each year. One of the biggest mistakes made over the years of reform, Viktor Chernomyrdin said, was that "we equated the scientific sphere with other sources of savings." To date, the federal authorities

owe the nuclear center in Sarov over 60 billion rubles. Some of this money, according to the premier, will be transferred in the next few days.

The chairman of the government also read out greetings from the president at the formal meeting of the nuclear center's staff.

This afternoon on his way to Moscow Viktor Chernomyrdin is to stop off in Vladimir to visit a tractor works and meet the townspeople.

Boris Yeltsin notes in his message [read by Chernomyrdin]: "During the very tough post-war years, owing to the wholehearted work and talent of leading scientists, a mighty scientific center arose here in the heart of Russia, the main aim of which was to create a nuclear shield for our country. While developing nuclear weapons, you thought about peace and together with your country did your utmost to strengthen that peace. In the course of its fifty-year-long history the institute has achieved considerable success in creating up-to-date, reliable and effective means of guaranteeing the independence and sovereignty of the state and ensuring a high level of scientific research that has gained international recognition," the message reads.

"Russia threatens no one in the world and is consistently pursuing the policy of reasonable reduction of nuclear weapons on the basis of defense parity. However, they remain absolutely vital to the country's national security," stressed Boris Yeltsin, voicing confidence that the center's workforce will "carry out research and developments in the areas of defense, general science and diversification duly and with responsibility."

Russia: Chernomyrdin To Expand State Commission on Chechnya

LD2606073996 Moscow INTERFAX in English
0656 GMT 26 Jun 96

[FBIS Transcribed Text] MOSCOW, June 26 (Interfax) — Viktor Chernomyrdin, Russian Prime Minister and chairman of the state commission on peace settlement in Chechnya has forwarded his proposals on changes in the composition of the commission to President Boris Yeltsin.

Chernomyrdin has proposed to include Aleksandr Lebed, the new secretary of Russia's security council and presidential aide on national security, and Finance Minister Vladimir Panskov in the composition of the commission, a well informed source in Moscow told Interfax.

Russia: Chechnya Military Commissar Interviewed
MM2606114896 Moscow TRUD in Russian
25 Jun 96 p 4

[Interview with Captain First Rank Ibragim Deniyev, Chechen Republic military commissar, by Mikhail Zubov in Grozny; date not given: "Chechens Will Serve in the Army Too"]

[FBIS Translated Text] As we have already reported, the activity of military commissariats is resuming in Chechnya. This is the subject of an interview with Captain First Rank Ibragim Deniyev, Chechen Republic military commissar.

[Zubov] What tasks were you set when you were appointed Chechnya military commissar?

[Deniyev] The main thing right now is to restore troop records. Whereas there were 228,000 people liable for military service on the record in 1991, we have now restored the records for only 11,000. Personal files and documents have been lost. Many military commissariats have burned down or been destroyed. There is painstaking work to do.

[Zubov] How many Chechens are there currently serving in the Russian Army on Chechnya territory?

[Deniyev] About 600.

[Zubov] Will those young people who you are going to draft for a regular term of service serve their time in Chechnya or other regions of Russia?

[Deniyev] As yet only here. You see, the existence of the so-called "Chechen syndrome" is a reality, including in the Army. At the beginning it is better for guys who have decided to serve the motherland to be protected from a possible negative attitude on the part of their fellow soldiers and kept together and closer to home.

[Zubov] Will most Chechens not want to dodge service at any price, even through recruitment into the guerrillas?

[Deniyev] I nevertheless hope for common sense. There are plenty who are willing to serve. Including for the money. It is hard to find work in Chechnya, and any regular-term private makes around 2 million rubles a month here. But there are also increasing numbers who want to serve because of their convictions.

[Zubov] Yet, in addition to the other dangers of serving here, there is an extra one for Chechens: Direct retribution, a threat to the relatives of servicemen, who the radical separatists regard as traitors....

[Deniyev] This danger does indeed exist, and there have even been instances of guerrillas abducting Chechen

servicemen. During the night of 2-3 June Major Faley, deputy military commissar of Shelkovskiy Rayon, was wounded and abducted. In February three officers from the Staropromyslovskiy Military Commissariat were abducted. We take measures to find them and negotiate to exchange or ransom them. The trouble is that local inhabitants buy many of them from the guerrillas to find their own relatives. We were asked to pay R100 million for the Staropromyslovskiy Rayon military commissar.

[Zubov] When you received this appointment did you not imagine what danger you would be putting yourself and your family in?

[Deniyev] Indeed there were fears; I have three daughters, after all. The eldest is 14, the youngest is four.

[Zubov] Tell me, where do you hail from and what has your military career been like?

[Deniyev] I am a Chechen. My parents, brothers, and sister live in Grozny. I graduated from the Sevastopol Higher Naval Engineering College. I served aboard Northern Fleet nuclear submarines for seven years. Then I worked in the Vladimir and Moscow Oblast Military Commissariats. I was appointed Chechnya military commissar — so this is my second appointment to this post. On that occasion, during the era of Dudayev's rule, I was compelled — with the agreement of the General Staff — to close military commissariats when there were absolutely no opportunities or conditions left for them to operate normally. After that I served as deputy military commissar of the Moscow Southern Administrative District. And now I'm back here. It was not an easy decision, but after some hard soul-searching I eventually agreed.

[Zubov] What can you say about the people who make up your military commissariat staff?

[Deniyev] Reliable people. Mainly officers from the North Caucasus Military District. Many of them I know well and have known for a long time; we have served together. During an unsettled time one of them, despite horrendous risk to himself and his family, managed to save 4,400 military service cards which I had given to him for safekeeping. So there is a tried and tested backbone.

[Zubov] Are you acquainted with the people now known as field commanders?

[Deniyev] I know many of them very well. I know Gilayev and Basayev, I served with Maskhadov.... I often ask myself, although I cannot find an answer: How can it be that these people, who at other times I regarded as good and decent, joined the ranks of the

"irreconcilable?" In any event I already have meetings planned with many of them, mainly on their initiative.

[Zubov] There are rumors and speculation that people like Basayev and Gilayev will not agree to peace, will not obey Yandarbiyev....

[Deniyev] To the best of my knowledge they are working with Yandarbiyev. There is another danger — the considerable number of bandit formations consisting of congenital criminals who Dudayev let out of jail. Those guys really do obey nobody. They are just bandits. They kill and rob. And the people can see this and want to be protected against and freed from them. This, incidentally, is one of the main reasons why Chechens come to serve in the Russian forces.

Russia: Federal Commission Arrives in Chechnya 26 Jun

*LD2606102296 Moscow INTERFAX in English
0930 GMT 26 Jun 96*

[FBIS Transcribed Text] GROZNY, June 26 (Interfax) — Representatives of the state commission on Chechnya, Nationalities Minister Vyacheslav Mikhaylov and his deputies Sergey Stepashin and Vladimir Zorin have arrived in the Severnyy airport in Grozny on Wednesday [26 June].

The aim of this visit is to force complete implementation of the Moscow and Nazran agreements on a peace settlement in Chechnya, Mikhaylov told INTERFAX.

Leaders of the state commission will analyze fulfillment of the previous agreements, the work of the group busy with military issues and with exchange of POWs; they will put forward new concrete initiatives to solve each problem, he said.

Mikhaylov said he would demand to present concrete information on violation of the reached agreements. The Russian party is concerned over terroristic actions committed by opposition fighters in Chechnya, he said.

The state commission is also tasked to create appropriate conditions to hold the second round of presidential elections in Chechnya. "This is a serious work and we shall help to organize it," Mikhaylov said.

Speaking about frictions between federal forces commander in Chechnya Lt. Gen. Vyacheslav Tikhomirov and head of the OSCE [Organization for Security and Cooperation in Europe] mission in Chechnya Tim Guldemann, Mikhaylov said that this conflict must be analyzed and then one can give appropriate recommendations.

**Russia: North Caucasus Commander Arrives
Groznyy**

*LD2506203996 Moscow Radiostantsiya Ekho Moskvy
in Russian 1500 GMT 25 Jun 96*

[FBIS Translated Text] General Kvashnin, commander of the North Caucasian Military District, arrived in Groznyy today. A source at the headquarters of the federal forces linked his visit to the unilateral withdrawal of the 245th Motor Rifle Regiment scheduled for 28 June, as well as to the recent decisions by the president concerning the staged withdrawal of federal forces.

Russia: Lebed To Visit Chechnya After Elections

*LD2506202796 Moscow Radiostantsiya Ekho Moskvy
in Russian 1500 GMT 25 Jun 96*

[FBIS Translated Text] Aleksandr Lebed, newly appointed secretary of the Security Council, is expected in Groznyy. Various sources have already reported that Lebed is going to visit Chechnya very shortly. Lebed himself said that he will not leave Moscow before the second round of the presidential elections is over. However, his aide in the State Duma, Vladimir Titov, said that the boss never gives notice of his intentions.

[Begin Titov recording] Let this be a little surprise for the Chechen public. The situation is as follows. According to my information, Lebed is not going anywhere within the coming two days. [end recording]

**Russia: 'Peaceful Chechens' Support Yeltsin
Withdrawal Edict**

*LD2506201196 Moscow ITAR-TASS in English
1906 GMT 25 Jun 96*

[By Nikolay Zagnoyko]

[FBIS Transcribed Text] GROZNYYY, June 25 (Itar-Tass) — President Boris Yeltsin's decision to withdraw federal troops from the war-torn Chechnya is a "very right decision", chairman of the republic's electoral committee Abdul-Kerim Arsakhanov told Itar-Tass today.

Arsakhanov is confident that the decree on the troops' pullout signed by Yeltsin today will be supported by all peaceful Chechens.

According to him, the President's well-known attitude which emphasized "withdrawal within sensible limits" led to Chechnya's 70 percent turnout in the June 16 presidential elections. "It means that people do want peace and calm," Arsakhanov stated.

Tass reporters talked with some Groznyy residents who all gave their unequivocal endorsement of Yeltsin's peaceful move.

"We were looking forward to that decree," said Ibragim, a 40-year-old worker for a public utility in Groznyy. "But some people could not bring themselves to believe until the very last minute that Moscow would keep its promise," he said.

"It is essential to withdraw the (federal security) troops," according to Said-Akhmed Alikayev who said their very presence caused endless provocations on the part of the separatists.

"I live in Chernorechye and I have lost many relatives (in the war), and guns continue to be fired at our houses from a nearby checkpoint every day," he said. "The Russians are telling us Chechens they only return separatists' fire, but what do peaceful people have to do with it all?" he lamented.

Alikayev is convinced that the withdrawal of the Russian troops should proceed hand in hand with the disarmament of the Chechen rebels, otherwise the militants would "feel they are heroes and start to dictate their terms to the republic," he stressed.

Paratroopers on duty in Central Groznyy said upon learning about the presidential decree they were eager to know what number the North Caucasus military district had on the pullout list.

"It would be unfair if we'll be the last to be discharged," they told a Tass correspondent. "We have our own accounts to square with this war, but we hope to become the last soldiers involved in it," they said.

Meanwhile, a member of the Chechen pro-Moscow government told Itar-Tass that the phased withdrawal of the troops puts an additional load of responsibility on the shoulders of the government of Chechnya in the pursuit of an economic policy that meets the needs the revival."

Deputy Chairman of the government of the Chechen republic Kharon Amerkhanov recalled that some 40 thousand families had suffered in the armed conflict and need compensation but the bank vaults in Chechnya are empty and no compensation for damages has been paid to the afflicted families in six months.

Amerkhanov said the withdrawal of the federal troops must be accompanied with normalisation of funding, particularly of the Chechen government's economic programmes and the mandatory payment of compensation for damages inflicted on the population in the 18-month-old war.

Russia: Explosions Stop at Pacific Fleet Munitions Depots*LD2506144196 Moscow ITAR-TASS in English
1347 GMT 25 Jun 96**[By Anatoliy Yurkin]*

[FBIS Transcribed Text] MOSCOW, June 25 (Itar-Tass) — Explosions at the Pacific fleet munitions depots stopped on Tuesday by 14:00. The fire at the place of the incident is localised. There are no casualties, and the local population is evacuated, Itar-Tass learnt at the press service of the Russian Ministry for Emergencies.

According to preliminary data, the reason for the incident was a fire at a warehouse of the local timber enterprise in the village of Boyets Kuzneisov, Maritime Territory in the Russian Far East, which flared up at 11:30 and then leaped over to the grounds of one of the munitions depots.

A special squad of the ministry was rushed to fight fire, and evacuation of local population to a safe place started. Railway traffic was stopped.

Itar-Tass learnt at military sources in Vladivostok that there are no chemical or nuclear arms at the depots. They are situated about 15 kilometers away from the city of Nakhodka. Maritime Territory governor Yevgeniy Nazdratenko, representatives from secret services and civil defence as well as fire-fighting units urgently left for the place of the incident.

Economic Issues**Russia: Yeltsin-Lebed Alliance Seen Promising Economic Stability***MM2506153396 Moscow FINANSOVYYE IZVESTIYA
in Russian 25 Jun 96 p 1*

[Article by Yevgeniy Vasilchuk: "Russia Is Duty Bound To Take the Path of National Revival"]

[FBIS Translated Text] The results of the first round of the presidential elections spun the kaleidoscope of Russian political life in the blink of an eye. Boris Yeltsin's insignificant, though expected, advantage prompted the president to take resolute actions. The reaction of Aleksandr Lebed, who came third, was equally rapid. The two politicians concluded an alliance. Its significance, nature, and objectives go far beyond the goal of achieving a decisive majority for Yeltsin in the second round of voting.

The immediate consequence of the alliance of the president and the general was the possibility and necessity of replacing the majority of the leaders of the power departments. However, something else is considerably

more significant. For the first time in recent years Russia has a very real opportunity of guaranteeing the stability of political and socioeconomic development. And not until the next elections, but for a far longer term.

That is no exaggeration. The time of troubles and devastation is inevitably disappearing. Russia is duty bound to take the path of construction and national revival. In personal terms the two leaders cannot fail to understand that their alliance is a pledge of recognition of their historical role and political future. A split would inevitably lead to the loss of both their reputations and their consignment to political oblivion.

Skeptics, to say nothing of rivals, assert that the Yeltsin-Lebed tandem will not be long-lived, although even open extremists and marginal elements are patently wary of excessively caustic open attacks on the incumbent president and the crude but imperious general.

The behavior of the natural competitors in the political market is understandable. What is less attractive is the string of hasty allies ready to do anything to testify to their commitment to the favorites. Even less pleasant is the ill-concealed and almost condescendingly familiar attitude of certain representatives of the Russian business elite to Lebed.

All the indications are that the most difficult problem of Aleksandr Lebed's road to power will not be the accumulation of political experience and prestige, nor the formulation and implementation of a comprehensive national security concept. The top task today is to ensure, in the coming months, equality of conditions for competition and peaceful coexistence between sector and regional groupings of national capital. The energy and enterprise of Russian business must at all costs be diverted from exhausting battles for spheres of influence, privileged access to natural resources and budget funds, and so forth.

On the other hand, the absence of an economic strategy and a rational system of state regulation of the economy remains no less a threat to national security. The bureaucratic apparatus is disorderly and corrupt and the main bulk of bureaucrats have no social or personal protection.

In a few years of reforms in Russia, privatization has taken place that is unprecedented in its scope and at the same time in the scale of the abuses. The pendulum of macroeconomic policy has swung from unrestrained monetary injections to equally senseless squeezes. In the course of an intensive struggle, various concessions and subsidies have been introduced and removed. And no government has yet managed seriously to tackle the question of what the scale and nature of

the state's role should be in the transitional Russian economy. Only the Bank of Russia, despite pressure from above, four changes of leaders, and a considerable number of tactical errors, has on the whole managed to maintain a strategic course toward the creation of a fully effective mechanism of monetary and credit regulation and a modern two-tier banking system. The taxation and budget system, industrial and structural policy, the coordination of activity and distribution of powers between the executive authority and parliament, the elimination of the economic dyarchy of the president and government, and much else still remain in the "problem zone." Cleaning up this "zone" is today the main task for any politician who is a realist.

Russia: Federation Speaker Against 'Massive' Land Privatization

LD2506112196 Moscow INTERFAX in English
1043 GMT 25 Jun 96

[FBIS Transcribed Text] MOSCOW, June 25 (INTERFAX) — Speaker of the Russian Federation Council (upper house) Yegor Stroyev has said that a massive, wild and forcible introduction of private ownership of the land is the most dangerous thing that could happen in Russia now.

Land transactions and the advantages of private or public ownership of the land are at the heart of a dispute over land, he said Tuesday in Moscow at a round table conference on land relations in Russia. The speaker called for a show of responsibility in resolving the issue, with public interests taken into account. He said land must be handed to those who want to till it.

Nikolay Komov, the head of the state committee for land resources and land use, said the new Land Code approved by the State Duma (lower house) and to be considered by the upper house encroaches on the rights of private land owners and is in breach of the principle of equality of all forms of ownership laid down in the Russian Constitution.

Komov said that a number of other laws must be adopted along with the Land Code, which must be strictly in line with the country's basic law. These include legislation on state municipal lands, a land market, land leasing and others.

Russia: Pegging of Oil Price Presents Export Dilemma

MM2506140796 Moscow ROSSIYSKAYA GAZETA
in Russian 22 Jun 96 p 5

[Article by Aleksey Baliyev: "Petrodollars Still Trickling In" - - from the "Economic Union" section]

[FBIS Translated Text] As is known, oil export duties are being abolished 1 July, which should stimulate Russian oil exports to distant foreign countries. But the expected "foreign currency cascade" is becoming increasingly problematical.

This is linked not only with a reduction in average world export prices because of the increasing supply of Russian oil in the world market, accompanied by a fall in demand, but also with the fact that on 9 June the OPEC countries agreed to reduce their daily oil exports by 25 percent because oil deliveries have begun from Iraq. These will total around 1.3 million tonnes before the end of the year.

Today, when the slightest excess of already stipulated oil export volumes carries the risk of a sharp fall in oil export prices and correspondingly in supplier countries' foreign trade revenue, even 1 million tonnes is of the greatest significance. But, unlike OPEC, Russia has no current plans to limit the increase in its oil exports for a particular time. Most other exporter countries have endorsed the organization's recommendations.

Unfortunately, oil export revenue has been enabling our economy to "survive" for many decades now: Its share in gross export revenue has been stably maintained at the level of 40-50 percent and is unlikely to decrease in the foreseeable future. So a fall in "dollar dividends" from oil exports will not force the Russian Federation to stop increasing volumes of exports of the "black gold," because its role in the Russian economy is too important. According to sources in the Russian Federation Fuel and Energy Ministry and OPEC, Russian exports will increase. It is planned to compensate for state budget losses because of the abolition of oil export duties by increasing oil extraction excise rates (to almost 70,000 rubles [R] per tonne) and indirectly through increasing oil transportation charges in the Russian Federation and CIS (they currently stand at an average of around R60,000 per tonne).

Naturally, such measures make oil truly "golden" to consumers in the Russian Federation: Its average wholesale price at the beginning of June was over R525,000 per tonne (as against R436,000 in February) and continues to increase. Hence the standard scheme whereby oil "sloshing around" in the economy automatically goes for export.

But will this lead to an increase in oil revenue?

According to Russian Federation Fuel and Energy Ministry estimates, Russian oil deliveries to the world at large will total at least 110 million tonnes in 1996.

According to market laws, the lower the demand for and the greater the supply of a product, the lower the revenue for a country or export company.

Russia: Vodka Scam Seen as Result of 'Crazy' Duties

MM2506142896 Moscow IZVESTIYA in Russian
22 Jun 96 pp 1, 2

[Report by Elmar Guseynov: "The Last National Sports Foundation Swindle?"]

[FBIS Translated Text] On 19 June the Moscow customs office issued an order for the confiscation of 13 railcarloads of alcohol which had arrived for the National Sports Foundation (NSF), and also for the imposition of considerable fines on that organization. Thanks to this, the Russian budget could receive nearly 80 billion rubles (R) extra. These figures give you an idea of the scale of the trade in the real "gold" commodity which this organization was conducting without paying duty, and the scale of tax avoidance being practiced.

On 16 February of this year 31 freightcars arrived at the Moscow Freight Station on the Oktyabrskaya Railroad, carrying freight destined for the National Sports Foundation of Russia. This was the last of a number of similar trains traveling from abroad to the NSF. There was nothing unusual in the structure of this freight: The freightcars were chock-full of boxes of "Troika," "Aslanov" and "Rossiya" vodka bottled, according to the documents, in Belgium. True, for some reason the vodka was designated Ukrainian in the documents — that was where the alcohol used to produce the truly priceless commodity had come from.

Customs policy in Russia today is complex and intricate, and not everyone can understand it. The special allure of the freight arriving from Ukraine was that, under the rules that were valid in February, alcohol manufactured in Ukraine was not subject to basic taxes — excise, customs duty, and VAT — when imported into our country. True, the NSF enjoyed tax concessions anyway. But the alcohol they were importing was only exempt from the payment of excise and VAT. The foundation was obliged to pay customs duty.

The vodka which arrived from Ukraine was accompanied by original papers (contract and certificate of quality) stating that it was produced in Ukraine, even though it had been bottled in Belgium. Which is why the Rus-

sians were supposed to consider it a Ukrainian commodity and not impose any taxes on it.

There was a total of 975,000 bottles of alcohol in the 31 freightcars. Customs duties on the freight alone should have come to R43.5 billion. This is not just one fortune, but a good 10 first-rate fortunes for anyone who could make a saving on such payments. Evidently, the simple calculation was: Everyone knows that the NSF has concessions for importing tobacco and vodka into Russia, and this means that customs will not bother to rifle through the documents of the "favored foundation," which receives dozens if not hundreds of car and van loads of this "excise" commodity every month. Then someone decided to blatantly declare a Belgian commodity Ukrainian.

The situation was simply outrageous. Furthermore, according to information we have obtained, the customs officers had up-to-date information about the freight from the Federal Security Service (FSB). You can only guess whether that information was being used as part of the pressure that the "power" structures had started exerting on the NSF, but as far as the customs officers were concerned the only thing that mattered was the accuracy of the documents accompanying the freight.

By the time the Moscow customs officers arrived at Moscow Freight Station, there were only 13 carloads of the vodka left there. The rest had been through customs and taken to depots. The remaining railcars were sealed up, and a careful examination of the documents began.

In the end, completely ridiculous things came to light. In the Lugansk Chamber of Trade and Industry, for example, where the certificates for the vodka had apparently been issued, no sign was found of any such documents. Not only that, even the dispatcher of the freight, the Crimean "Roskrymagro" firm, was not registered there. It also turned out that this freight — 31 railcars, remember, a real "gold train" — was not registered with the Ukrainian customs house even though it had been through the Russian customs house. To put it bluntly, the trainload of vodka had simply materialized on Russian territory "out of nowhere."

The Moscow customs officers were not interested in what was behind the fantastic paperwork relating to the perfectly real freight. For them the very fact of forged documents testified to contraband. The customs house issued an order for the confiscation of the sealed-up commodity and the recovery of the payments and fines due from the NSF. These fines will total nearly R30 billion in addition to the R43.5 billion which the NSF will have to pay into the treasury by way of legal customs duties.

And this against a background whereby, in the first three months of 1996, the total sum of penalties imposed by Russian customs officers for the violation of rules concerning the import of goods and their registration constituted R183 billion. The total for alcoholic drinks was R15.4 billion. A total of R16 billions' worth of smuggled alcohol was confiscated in that time.

The customs house is today one of the main sources of payments into the country's budget, making up about one-third of all payments. Every day the State Customs Committee transfers about R100 billion into the budget in the form of duties, excise, and other taxes that have been exacted. At the same time, as the customs officers themselves acknowledge, about 30 percent of excisable commodities, first and foremost alcohol, tobacco, and cars, come into Russia as contraband. A total of 60-70 percent of all these commodities, both legal and

illegal, are delivered to Moscow and St. Petersburg and are subsequently distributed to towns and villages throughout the country.

Paradoxical as it may seem, the abolition of customs concessions could exacerbate the situation regarding blatant smuggling. The level of taxation on excisable goods in particular is absolutely unrealistic, and it continues to be advantageous to trade in them. This means that either our state must reduce the crazy duties, or it will come up against desperate criminal audacity knowing no bounds, as the smugglers try to "pull" their freight onto Russian territory by fair means or foul, avoiding the customs house. After all, if they succeed, their commodities will immediately become gold — without any quotemarks.

International Affairs

Ukraine: Kuchma on Internal Situation, Reform, Russia

WS2506142096 Warsaw TRYBUNA in Polish
25 Jun 96 pp 1, 8

[Interview with Ukrainian President Leonid Kuchma by Wieslaw S. Debski; in Warsaw, date not given: "We Are at the Center of Europe"]

[FBIS Translated Text] [Debski] Your current visit to Poland will be the first occasion for you to pay an official visit to our country as the Ukrainian president. How do you evaluate the prospects for developing Polish-Ukrainian relations?

[Kuchma] The five-year experiences in establishing and developing our relations give us reason to look into the future with optimism. Over those five years we not only have learned to understand each other, but also to live side by side, like good neighbors and friends.

I would like to stress that today very tight contacts exist between the leaderships of Ukraine and Poland. I have met with President Aleksander Kwasniewski on many occasions. This is the second time I have visited your country this month.

I assess this first official visit to the Polish Republic as an important one. It is worthwhile to sum up what has been done so far, to specify new directions of developing and broadening Polish-Ukrainian relations, to place them at a higher qualitative level.

I believe that in the future relations between our countries and nations will strengthen. After all, Ukraine and Poland must work together to build a common home, a European home, in which there will be peace, harmony, and development.

[Debski] In some former Soviet republics people are beginning to long for a single, common state. Do people feel the same way in your country?

[Kuchma] Yes, some people in our society, who are not numerous, do feel this way, and this is normal. However, I do not think that the idea of restoring the Soviet Union as a single state has any real foundations. On the contrary, I think that the breakup of the Soviet Union and establishment of national countries on its ashes was objectively justified.

Second, the contacts that existed in the Soviet Union and that were then severed, which is used as the primary argument in favor of establishing a new union, should be based on a fundamentally different principle: Economic benefits and mutual convenience.

Third, it is wrong to compare the need to restore the Soviet Union with the desire of European countries to integrate; such a comparison is made by supporters of this idea [of setting up a new union]. That integration involves gradual realization of common interests by independent European countries, none of which wants to be the leader or to enjoy a special status. Many political activists in Russia see the Soviet Union as a tool with which to implement primarily the national interests of their own country. Of course, such an attitude arouses opposition in other countries.

Thus, the idea of restoring the union as a new superpower is not only unacceptable, but also detrimental — to Russia as well. Moreover, there is reason to believe that as the socioeconomic situation in the countries of the Commonwealth of Independent States improves, the idea of restoring the Soviet Union will affect people's attitudes less and less, and eventually we will reach other forms of partnership among countries, such as we see in the European Community.

[Debski] One of the most serious problems which our two countries had to face in the early 1990's was the necessity of thoroughly restructuring the economy. How advanced is this process in Ukraine?

[Kuchma] On the one hand, the progress which has been made in this process is not so significant that we can feel complete satisfaction. On the other hand, however, it is not so small that there are no signs of our efforts. The reason why the reforms are rather slow is that they are very complex. Also, the tasks which we are taking on are historically new, and the problems which the Ukrainian people have to face are quite diverse.

In all, the difficulties which stand in Ukraine's way of economic reforms can be divided into several groups: Political, legal, organizational, professional and cadre-related, and psychological.

As for the political difficulties, it should first be noted that people in Ukraine and the organs of state authorities do not agree on the directions, the rate, and purpose of many reforms; such an agreement is absolutely necessary. Many of our politicians among the socialists and communists are going to extraordinary lengths to turn the Ukrainian nation back to the recent, sad past. This, primarily, causes legal and organizational problems. On the one hand, we lack balanced and sufficient legal protection for our reforms; on the other hand, we are only learning and beginning to establish the institutions of a market economy. These institutions are entirely new to our people.

We also have to deal with major professional and cadre-related problems in the organization and protection of

the reform process, as well as with a certain psychological barrier in the society which makes it more difficult to completely change its economic principles. These reasons also account for the fact that the privatization process is rather slow.

As far as reaching financial stability is concerned, I should add that this is one of the most important elements of economic reform. We understand very well that without a stable financial system we will not have a chance to achieve other important goals. Taking this into account, I can say with full satisfaction that we have made some achievements in this area. They will be the foundation of further measures which we will take in the economic transformation.

[Debski] The reforms have resulted in serious social costs. To what extent were they necessary? Was it possible to avoid some of them?

[Kuchma] I am convinced that social tensions are the price which people pay for reforms. They probably cannot be avoided. However, I will never agree with the opinion, which is quite widespread, that these costs are exclusively the consequence of a certain policy. That is not true. They are also an objective consequence of stagnation among the people themselves, a consequence of the lack of their activeness; in some cases people were — consciously or unconsciously — unwilling to speed up their development, improve their living standards, and follow the road of world civilization. The tensions which can be seen today are the necessary price which the people are paying for their previous sluggishness, for the debt to history; it is certainly not anyone's initiative or a plan concocted by reformers, even though it must be added that reformers should act in such a way as not to aggravate the objectively-justified social tensions. While reforms are being implemented, it is necessary to clearly define the specific conditions of the reforms and to avoid mistakes. Taking this into consideration, I must admit that there are many mistakes which we have failed to avoid. Hence, we desire to alter the reforms in such a way as to protect those layers of society which are the most vulnerable to social difficulties.

Nonetheless, I am convinced that our hard-working citizens will finally no longer be affected by the psychology of a kept man which they acquired during socialist times, and that they will finally assume responsibility for their own lives, for their prosperity.

[Debski] Europe is carefully watching Ukrainian-Russian relations. How do you evaluate them? What problems do you consider the most important?

[Kuchma] Our relations with the Russian Federation are a priority in Ukraine's foreign policy.

Recently, the process of negotiations between Ukraine and Poland has been considerably sped up. It has also taken on a constructive character. A number of meetings have been held, including those at the highest level; there is constant dialogue between the heads of governments and parliaments, ministers of foreign affairs, and heads of other ministries. As a result of an agreement reached by the Ukrainian and Russian presidents, a joint Ukrainian-Russian cooperation commission has been set up which is chaired by the prime ministers of the two countries.

Last year saw considerable and favorable changes in the commercial and economic sphere. The production and financial links between the two states are expanding. This is proved by the intergovernment agreement on fundamental principles of establishing Ukrainian-Russian financial and industrial groups, which was signed last July in Moscow. This agreement is to help develop production and technological contacts between companies of both countries.

Direct economic and commercial links are forged between Ukrainian and Russian regions and companies. In our country we already have commercial-economic representative offices of the Sakha Republic (Yakut Republic), the Republic of Tatarstan, and the Buryat Republic.

However, there are also problems. To this date, we have not signed our basic interstate document — a full political treaty whose draft was initialed in February 1995.

It should also be noted that the level of Ukrainian-Russian relations today does not fully correspond to the interests of both of our states. Even today, there are still serious problems and unresolved issues in our bilateral relations. This primarily goes for the implementation of the Sochi agreement on division of the Black Sea Fleet, even though certain favorable decision have already been made on this issue. One would like to expect that this problem will be resolved to the benefit of both our countries, without violating the dignity of either of them. We understand that Russia has its interests in the Black Sea region, but people in Russia must also understand that Crimea and Sevastopol are an integral part of Ukraine's territory.

[Debski] Ukraine is located between Russia and Central Europe — not only from the geographical, but also political point of view. How do you see your role in this configuration?

[Kuchma] If we take a look at the map, we will see that Ukraine is the geographical center of Europe. Thus, it follows that Ukraine can consider itself to be a Central

European country. All other countries are either to the west or to the east, to the north or to the south of this center. This, of course, is a joke, but all jokes are partially true. Ukraine certainly is an indivisible part of the Central European region.

On the other hand, it is a fact that, historically, Ukraine was — just like Poland — artificially separated from Europe for a certain period of time. We want to overcome this barrier and are going to great lengths to achieve this. A significant foundation of this striving consists in the historical and cultural European traditions of the Ukrainian nation, as well as its mentality.

At the same time, we should not ignore the fact that over several centuries Ukraine was part of a Euro-Asian superpower — the Russian empire. This necessarily had to leave a mark on the mentality of a portion of the Ukrainian society. However, this is no reason for anyone to say that Ukraine is something in between Central Europe and Russia. Our country plays its own role in the European architecture; as it has turned out, this role is of key importance. The major changes in the approach toward Ukraine which are taking place in the world, as well as its growing international prestige, are a consequence of the fact that our country has been pursuing a consistent and balanced course, both in its domestic and foreign policies. This is happening largely because in its foreign policy Ukraine is trying to maintain an atmosphere which is conducive to stability and security in the relations between Western Europe and Russia.

[Debski] Mr. President, thank you for answering our questions.

Ukraine: Moroz Expects Zyuganov To Win in Second Round

AU2506124696 Lvov ZA VILNU UKRAYINU in Ukrainian 20 Jun 96 p 1

[Unattributed report: "Gennadiy Zyuganov Will Win?..."]

[FBIS Translated Text] Ukraine's Supreme Council Chairman Oleksandr Moroz believes that Gennadiy Zyuganov, leader of the Russian Federation Communist Party, will win in the second round of the Russian presidential elections, provided that the election law is strictly adhered to. If, however, there are violations and the "work of the counting machines is taken as the basis," then the incumbent President Boris Yeltsin will gain the victory. In an interview for UNIAN, Oleksandr Moroz stressed that, on the eve of the first round of the Russian elections, the election law was "blatantly violated." This was attested to, according to Moroz, by international observers. He stressed that during the first

round of the elections in Russia, the forecasts that Boris Yeltsin would not get the expected majority of votes were confirmed.

Ukraine: Agreement Reached With Russia on Nuclear Fuel Supplies

LD2506151496 Moscow INTERFAX in English 1403 GMT 25 Jun 96

[FBIS Transcribed Text] KIEV, June 25 (Interfax-Ukraine) — The Ukrainian State Atomic Committee and Russian suppliers of nuclear fuel reached agreement at a meeting at the Yuzhno-Ukrainskaya nuclear power plant (the Nikolayev region of Ukraine) on supplies of Russian nuclear fuel to Ukraine.

The meeting was attended by Ukrainian State Atomic Committee Chairman Viktor Chebrov, heads of Ukrainian nuclear power plants, representatives of Russian nuclear fuel producers, including the Tvel concern and Atompromkomplekt and Atomresurs companies.

The agreement sets forth ways of cooperation with the Russian Atomic Energy Ministry and terms of nuclear fuel supplies to Ukraine for the next 10 years, Atomic Committee press office told Interfax-Ukraine Tuesday.

Under the agreement, the Tvel concern as fuel supplier is fully responsible for the quality of the product and acts as chief consultant on its use at Ukrainian nuclear plants.

The sides agreed on the need to optimize prices for supplies of fresh fuel and to raise its quality, the Atomic Committee said.

Up to June 1, 1996, Ukraine paid for only 6.8 percent of the cost of the nuclear fuel supplied from Russia under a bilateral agreement.

Russia also supplies fuel to Ukraine in accordance with an agreement between Ukraine, Russia and the United States in exchange for nuclear warheads withdrawn from Ukrainian territory.

Ukrainian nuclear power plants currently owe about \$800 million for fuel.

Ukraine: Iranian Minister Offers To Supply Ukraine With Oil, Gas

LD2506134296 Moscow INTERFAX in English 1322 GMT 25 Jun 96

[FBIS Transcribed Text] KIEV, June 25 (Interfax-Ukraine) — Iran is ready to supply Ukraine with oil and gas, Iranian Radio and Television Minister 'Ali Larijani told Ukrainian First Deputy Parliamentary Chairman

Alyaksandr Tkachenko on the Iranian government's behalf in Kiev on Tuesday.

Oil supplies are possible via the Black Sea, while gas can be supplied via Turkmenistan, the Iranian minister said.

Bilateral talks on this issue have been successful, he said.

The governmental structures "need to intensify efforts to create an oil terminal in Odessa and a gas pipeline via Turkmenistan," Tkachenko said for his part.

"The construction operation should be tripartite with the participation of the countries via which the routes lie," he believes.

The Iranian government is interested in the development of cooperation with Ukraine in the areas of plane-building, machine-building, the production of equipment for the oil and gas sectors and the construction of facilities for the energy and defense complexes, the Iranian official said.

Furthermore, Iraq plans to buy a number of Ukrainian diesel locomotives with the possibility of acquiring the technology to produce them and creating a joint venture, he said.

Iran also wants to develop cooperation with Ukraine in the cultural area, including the mutual re-broadcasting of radio and TV programs, and the exchange of movies and concerts, the Iranian minister said.

Ukraine: Ukrainian, Polish Presidents Sign Accords, Declaration

*LD2506164196 Kiev UNIAN in Ukrainian
1515 GMT 25 Jun 96*

[FBIS Translated Text] Warsaw — Ukrainian President Leonid Kuchma and Polish President Aleksander Kwasniewski today signed six bilateral agreements and a joint declaration.

According to UNIAN, the two presidents signed an agreement on cooperation in the sphere of the protection and restitution of cultural valuables illegally moved during the World War II, an agreement on mutual visa-free trips, an agreement between Ukraine's State Committee for Town Planning and Architecture and the Ministry of Town and Country Planning of Poland on setting up a Polish-Ukrainian commission for territorial planning, an agreement between Ukraine's Ministry of Machine-building, Military-Industrial Complex and Conversion, and the Ministry of Industry and Trade of Poland on cooperation in machine-building, an agreement on cooperation between the Ministry of Industry of Ukraine and the Ministry of Industry and Trade of Poland, and an

agreement between Ukraine's State Committee for Standardization, Metrology and Certification and the Polish center for testing and certification on cooperation in the area of mutual recognition of the results of work on certification.

Ukraine: Kuchma Interviewed on Poland, NATO, Russia

*WS2506131596 Warsaw ZYCIE WARSZAWY
in Polish 25 Jun 96 pp 1,6*

[Interview with Ukrainian President Leonid Kuchma by Polish Television correspondent Olga Iwaniak "specially" for ZYCIE WARSZAWY in Kiev; date not given: "Ukraine's Charm"]

[FBIS Translated Text] [Iwaniak] You are to pay your first visit to Poland as the Ukrainian president. Mr. President, what are the prospects for the Polish-Ukrainian cooperation?

[Kuchma] I am convinced that this visit cannot but be fruitful. We are primarily interested in economic cooperation. Because our enormous capabilities have not yet been used, a good legal basis should be created for them.

[Iwaniak] While speaking about relations with Poland, many Ukrainian politicians use the phrase "strategic partner." Mr. president, how do you understand this notion?

[Kuchma] In addition to the "strategic," I would like to find warmer adjectives. I would like to say that Poland deserves the title of our "particularly strategic partner." We understand very well our mutual importance for both countries' future. Independent and sovereign Ukraine means a lot to independent Poland. For us, your country is a signpost on our road to Europe. In this sense, bilateral relations are gaining particular importance.

We appreciate Poland's assistance in our efforts to be admitted to the Council of Europe and other European structures. Therefore, the fact that President Kwasniewski invited me to the meeting of Central European presidents in Lancut confirmed that these relations are special.

[Iwaniak] What are the main issues that you are going to address during the talks with President Kwasniewski?

[Kuchma] One of the main goals of our meeting will be to stimulate economic contacts. The \$1 billion turnover which we achieved last year is very little in light of both countries' capabilities. I am pleased that these contacts are currently not boiling down to trade, and Polish investments are starting to arrive in Ukraine as

well. We are interested most in such cooperation, and I would like to invite Polish businessmen to cooperate with our companies.

[Iwaniak] Just like Poland, Ukraine is on the eve of adopting a new Basic Law. This will be the first constitution of independent Ukraine. Will it be passed by the parliament, which is dominated by the communists who, having enough votes, will try to block it, or will you resort to a referendum?

[Kuchma] It is incomparably more important for Ukraine to adopt a constitution than it is for Poland. Poland has defended its sovereignty, and in your country there is no political force which would appeal to society to restore the Soviet Union and the "shining future" which we used to build together — you as the Polish People's Republic and we as a socialist republic of the Soviet Union. In Ukraine, there are forces which are ready to give up our state sovereignty. I have no grounds to believe that the current parliament will want to pass a constitution. However, I am trying to do everything possible and impossible to have a constitution passed by the Supreme Council — to have it go through all the stages of a debate in parliament, and not in the streets. Nonetheless, I am afraid that the constitutional process has come to a deadlock, and a referendum is the only way out of it. Perhaps the parliament will at least agree to hold a referendum by a majority of votes. If this is impossible, the president will have to make a unilateral decision. And I wish for Poland to adopt its constitution as soon as possible.

[Iwaniak] How would Poland's accession to NATO affect Polish-Ukrainian relations? Mr. president, what do you think should be the current role of the North Atlantic Alliance?

[Kuchma] We do not see a threat to Ukraine in Poland's accession to NATO. We think that NATO is currently the only real guarantor of security on the continent, and it has proved this in action — for example, in the former Yugoslavia. This is our assessment. Ukraine perfectly understands the current political reality on our continent. Ukraine's declarations about its willingness to join NATO will not at all accelerate our admission to this organization. We must take into account the current political alignments. We wish for all countries which want to join NATO to do so because this is their right. However, nobody, no other country can object to such intentions.

[Iwaniak] In their appearances, Ukrainian politicians are increasingly often saying that although Ukraine is a neutral state, this status may soon have to be corrected....

[Kuchma] I have repeatedly warned about this myself....

[Iwaniak] Then, toward what kind of integration will Ukraine be inclined — with Western structures or CIS countries?

[Kuchma] First of all, Ukraine has decided that the strategic direction of its foreign policy is rapprochement with Europe. We would like to see ourselves a full member of the EU, though we understand that the road to achieve this is very difficult, exhausting, and arduous for us. Still, we have no other option. We are conducting very active diplomacy to expand our cooperation with the EU as much as possible, and frankly speaking, we count very much on Poland's support.

Nevertheless, we understand that we also need cooperation with the East. Russia is a large country. Both Poland and Ukraine should be interested in cooperation with it, primarily in economic cooperation. Neither Poland nor Ukraine can do without Russia. So, while linking our future with the West, we should include Russia as well, so that it also proceeds in the same direction, and not in the opposite one.

[Iwaniak] Early this June, Ukraine as the first and only state in the world voluntarily get rid of its nuclear weapons — the third largest nuclear arsenal in the world. To a NATO conference in Berlin, Ukrainian Foreign Minister Hennadiy Udoenko was to bring a proposal to create a nuclear-free zone in Central Europe. However, he did not end up presenting this proposal. Does it mean that Ukraine is no longer afraid of NATO's weapons deployed in Poland, the Czech Republic, and Hungary?

[Kuchma] We did not get rid of nuclear weapons to enable our neighbors to deploy them along our borders. I think that this would make no sense from all perspectives, including the military one. As the former director of the largest arms factory in the Soviet Union, I understand this issue perfectly. The contemporary methods of transporting nuclear weapons do not require their deployment along one's neighbors' borders. What Minister Udoenko did not present [in Berlin], I presented a few months ago (as I recall in April or March) at the G-7 summit in Moscow to which Ukraine had been invited as a guest. I came up with this initiative at that time. In general, it would be good to think about a nonnuclear future for Europe because only this can guarantee security, all the more so since states which are currently in the center of the continent have a common past, and it would be good if they achieve a nonnuclear status together. This is in the interests of all nations in this region.

[Iwaniak] Addressing the West European Assembly in Paris, you said that Ukraine's strategic goal is to integrate with European and North Atlantic structures.

While saying "North Atlantic" structures, did you have in mind NATO or a different organization?

[Kuchma] As for the EU, I think that this does not require any explanations. However, as for the North Atlantic structures, we are interested in a cooperation with NATO which would be even closer than the one we currently have. We are interested in a special cooperation with NATO, and this concerns all directions of this pact's activities — military, economic, political, and others. For us, this is a road to agreement and real security in which we will know about each other much more than we currently do, and in which we will actually cooperate, and will not be Europe's stepchildren. We see a future for everybody, and particularly for ourselves, only in equal cooperation.

[Iwaniak] Will Russia's foreign policy toward its neighbors become tougher if the Yeltsin-Lebed team wins? Will it become more populist, in the spirit of General Lebed's preelectoral statements?

[Kuchma] I think that there will be no essential changes in Russia's policy toward its western neighbors. There is a Russian adage, as well as a Polish one, according to which one's viewpoint depends on where one sits. When Lebed was a presidential candidate, he could make any statements. The appointment to the office of Security Council chief will force him to be responsible for his words and actions.

Russia is a state in which foreign policy depends primarily on the president's will. So, if Yeltsin becomes president, about which I have no doubts so far, the foreign policy should not change.

[Iwaniak] And what if Zyuganov wins?

[Kuchma] Then it will be very hard to predict the situation because Zyuganov is one thing, and the Communist Party is a completely different one. I think that this will not be good or beneficial not only for Russia itself, but primarily for its neighbors.

[Iwaniak] By integrating former Soviet Union states which surround it, will Russia be able to restore the structure of the Soviet Union?

[Kuchma] No, this is not possible at all, not even in a dream. It seems so obvious to me that I would not like to resort to any explanations. Even the Russians do not propose such solutions at any level. At the utmost, there is talk about a confederation, but the "only and almighty Soviet Union" is unequivocally a matter of the past for a majority of states which emerged after its disintegration. Since then, new political ethics have formed even within Russia itself. Furthermore, states such as Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan, Moldova, and

other former [Soviet] republics, not to mention the Caucasus, do not see themselves in the Soviet Union. Ukraine's stance is clear: We do not even want to speak about this. Please recall these states' reaction to the Russian State Duma's decision to renounce the Belovezhskaya Accords which once resulted in the dissolution of the Soviet Union! At that time, we criticized only the West, which received this in a surprisingly calm manner.

[Iwaniak] However, Belarus has chosen integration, and in April it signed an agreement with Russia which virtually restricts its state sovereignty. What policy will Ukraine conduct toward the pressure for integration?

[Kuchma] Our foreign policy will not change. We will develop good-neighborly and equal relations, and will build mutual respect. However, Ukraine will never choose Belarus's path. This seems obvious. For Ukraine, there is no return to the past, at least as long as I am president.

Ukraine: Admiral Criticizes Disarmament Policy

AU2406162896 Kiev UKRAYINSKA HAZETA
in Ukrainian 20 Jun 96 p 8

[Article by Vice Admiral Borys Kozhyn, Ukraine's people's deputy: "Ukraine Is Making Russia Wealthy"]

[FBIS Translated Text] It was with great interest that I read the first article by Colonel General Anatoliy Lopata in his capacity as military-political columnist of UKRAYINSKA HAZETA, which I have respect for. I also want to express my ideas on the reduction of Ukraine's strategic and conventional weapons and on Ukraine's strategic situation regarding its economic state.

Since the disintegration of the USSR, more than 30,000 nuclear warheads and hundreds of strategic bombers have remained on its territory and, by mutual consent between the CIS countries and the United States, they began to be "stored" on Russian territory. In my opinion, Ukraine started to implement that accord too soon, because Russia, which is strong militarily given its internal political instability, poses a greater threat to Ukraine than would the storage on its territory of the strategic offensive weapons that were transferred so hastily to Russia.

One may state the following: Ukraine is fulfilling its international commitments by transferring its strategic weapons to Russia. However, a legitimate question now arises: Who will now guarantee Ukraine's security? Russia? No, because one constantly hears calls from it demanding that the independent Ukraine be brought to its knees, if not militarily, then at least economically.

NATO? Also no, because Ukraine's intention to join the alliance in the future and Ukraine's participation in the NATO "Partnership for Peace" Program have met with irritation by Russia, and NATO rushed to declare that the alliance's eastward expansion is not a matter of the near future. Here too, as one can see, Russia's interests will primarily be taken into account. Is it the case that Russia determines NATO's development strategy and that Russia decides who is going to be a member of NATO? It is now easier for Russia to dictate its conditions, not only to CIS countries, but also to NATO, because almost the entire nuclear arsenal is already on Russian territory.

Without disapproving of Ukraine's peaceful policy and its joining the 1991 START-1 treaty between the USSR and the United States, as well as the reiteration by the republic of its nonnuclear status, I will discuss Ukraine's commitments to totally eliminate its strategic nuclear weapons. Let me first discuss the economic aspect of the problem. I mean strategic missiles of two rocket divisions of the former Rocket Army deployed in Vinnytsya Oblast — 176 intercontinental ballistic missiles. In Western Ukraine (Khmelnyskyi), there were 90 RS-18 (SS-19) intercontinental ballistic missiles, equipped with six individual-aiming warheads each, and in Peremaysk (Nikolayev Oblast), there were 40 RS-18 and 46 RS-22 (SS-24) missiles with 10 warheads each; so there were 1,240 land-based warheads on combat duty.

Ukraine has already dismantled 80 RS-18 missiles, and training sorties involving the 96 missiles that are within protected launch silos have been totally stopped (even though Russia has not taken similar actions); nuclear warheads only remain in 10 intercontinental ballistic missiles in Western Ukraine. Over 1996, however, all nuclear warheads will have to be taken to Russia, including those maintained at nuclear bases (yaderni bazy). As President L. Kuchma stated recently, this has already been done.

Ukraine also rushed to destroy launch silos on its territory, while forgetting a simple truth: The more of its launch silos Ukraine destroys, the less Russia has to destroy at home. The START-1 Treaty only makes provision for the total number of silos eliminated, without dividing them among specific CIS states. Was it worthwhile for Ukraine, on 5 January 1996, in the presence of the U.S. and Russia defense ministers, to start destroying its launch silos before Russia itself began to do so? This is one of the errors committed by Ukrainian leaders.

Our state must receive \$350 million under the Nunn-Lugar Program for all the nuclear and strategic weapons transferred to Russia or destroyed here, and Russia

intends to sell each warhead to the United States at \$1 million a piece. To put it differently, having received \$350 million, Ukraine will lose \$890 million on the warheads alone. Things are even worse where strategic aviation is concerned. There still are 21 Tu-160 strategic supersonic bombers in Ukraine (Pryluky, in Chernihiv Oblast) and 25 Tu-95 MS bombers (Uzyn, in Kiev Oblast) equipped with Kh-55 up-to-date long-range cruise missiles. Russia only possesses nine Tu-160 (Engels, in Saratov Oblast). It appears, however, that here, too, some pro-Russian Ukrainian military figures have decided to give a hand to "poor" Russia, having agreed to sell to it 22 strategic bombers at a dumping price of \$75 million each. This includes 10 Tu-160's (the price of a single U.S. aircraft of a similar B-1B class is \$300 million) and 12 TU-95 MS'. Russia is not going to pay in U.S. dollars, but rather in Russian rubles and spare parts for aircraft.

Speaking about strategic armaments, it must be recalled that Russia is modernizing and not eliminating its weapons and that it has already added to its arsenal the modernized strategic missile complexes "Topol-M" (RS-12M2) that are manufactured in Votkinsk. Strategic aviation is again being deployed in Mozdok (North Ossetia).

It remains unclear what has happened to the nuclear warheads transferred to Russia by the CIS states. After Russia proclaimed itself a successor to the USSR, there were more than 30,000 warheads, whereas the official number that is quoted at present is 6,833 nuclear warheads in Russia (8,711 in the United States). Could it be that all the rest have entered some unofficial arsenals and have been transferred to the shadow economy?

Having transferred the strategic weapons to Russia, not only has Ukraine failed to attain military security, but has even harmed its economic situation, for the United States and Russia are now discussing the issue of purchasing nuclear warheads from Russia at \$1 million each. By using simple arithmetic, one can surmise that, just thanks to the accord on nuclear warheads, Russia will obtain 30,000 warheads that it will sell at \$1 million a piece to earn a total of \$30 billion.

Couldn't Ukraine find a way to use a part of this sum?

Things are no better with the navy. It is not clear out of what considerations Ukraine's responsible representatives agreed, during the division of the Black Sea fleet, to leave ships of dissimilar types to Ukraine — the servicing of such ships is several times more difficult and expensive. Obtaining the most up-to-date ships, Russia plans something entirely different. Cutting, within the framework of the START-1 Treaty, its obsolete nuclear submarines by 44 and its RSM-25, RSM-40, and

RSM-50 missiles by 1,867 and receiving financial compensation for the cuts, Russia is at the same time developing a program for modernizing its fleet and is planning to increase the composite combat potential of its ships by 2.5-3 times relative to the USSR fleet as it was in 1990. This is 70 multipurpose nuclear submarines, including 20 assault submarines with cruise missiles, more than 300 surface main-type ships, and up to five aircraft carriers; the aircraft carriers accommodate a different numbers of fighters — up to 50 on every aircraft carrier with a tactical radius of up to 1,200 km and approximately 10 antisubmarine aircraft. The "Admiral Kuznetsov" aircraft carrier alone presently accommodates 48 Su-27K fighter-interceptors and Su-25 attack aircraft plus 12 ship-based helicopters.

Russia can certainly afford this. It also intends to obtain, in conformity with the agreement signed last year with the United States, more than \$12 billion for supplying the United States with enriched uranium and other nuclear materials, including those taken from Ukraine. Consequently, what is disarmament for Ukraine is additional armament and economic enrichment for Russia. Moreover, last year, for such disarmament, Russia received an additional international credit worth more than \$6 billion, and, during the current year, it has already been promised between \$9 billion and \$12 billion. Had it not been for the Russian-Chechen war, nobody knows what Ukraine's security would have been last year....

Regarding the issue of the reduction of conventional weapons, it is also easy to see the readiness and enthusiasm with which high-ranking Ukrainian military figures eliminate the up-to-date weapons by reducing them to metal scrap. They have apparently decided to achieve the title of "communist labor shock-workers," for there can be no other explanation for the fact that Ukraine is more than 20 percent ahead of the rate of reduction envisaged by the CFE Treaty. All the more so since Russia is in no hurry at all to fulfill that treaty. It looks like the pro-Russian military officials decided to apply the long-forgotten socialist motto — "Do it for oneself and for the other guy," that is Russia. Out of the 10,000 armored vehicles that are subject to elimination, Russia has destroyed a little over 2,700, according to the chief of staff of the Russian ground troops. These are probably those same pieces that were destroyed by the Chechens in battle. Thus, Russia has not lost even there, and the accord is being fulfilled as a result of continued hostilities in Chechnya.

That "destruction," however, often turned paradoxical. For example, in urban conditions, some of the most up-to-date Russian T-80 tanks surrendered to ordinary RPG-7 grenade launchers and building materials. During the battle in the vicinity of the Chechen State Secu-

rity Department in Grozny, when the Chechens were short of antitank shells, the courageous defenders started dropping large pieces of concrete or boulders from the roofs of multistory buildings upon the T-80 and T-76 that were moving toward the presidential palace. The very first tank, hit in that manner, immediately stopped, and its crew started to jump out of it in panic. The same happened when fragmentation projectiles were used.

It only became known later from an imprisoned member of a tank crew what the problem had been. It turned out that when a certain spot on the tank's armor is hit with a certain force, an automatic alarm system is triggered that informs the crew: "The tank has been hit with a shell." In conformity with the instruction, the crew must leave the damaged tank, which may explode at any moment. Thus, near the "Yubileyny" movie house, 300 meters away from the Presidential Palace and near the DDB (expansion not known), 900 meters away from the Presidential Palace, three "live" T-80 tanks were captured with the help of boulders.

It is not the hardware, but quick-wittedness that matters in the battle. Here is an example from the Chechen experience. The maximum range of the RPG-7 is 500 meters, but if a piece of cloth soaked with water is inserted lightly into the grenade thrower's outlet, the range may be increased by another 300 meters. Combat groups made up of five persons have performed well: One sniper (he is the commander), one RPG man, his assistant (bringing shells and also acting as a medical orderly), and two submachinegunners. I heard about this in Cracow from Usman Imaev, minister of justice and prosecutor general of the Chechen Republic Ichkeria (1994-95), with whom Yevhen Lupakov, another people's deputy, and I spoke in February at the international conference on "New Forms of European Security."

Regarding the economic situation in Ukraine, I would like to say that Ukrainians must feel like Ukrainians in their own homeland rather than wait to hear what Russia has to say to them. It is no secret that numerous Russian transport communications run across Ukraine (for example, the oil pipeline "Druzhba," through which most of the Russian oil exports go to the West). They bring Russia fabulous profits, whereas Ukraine lives in poverty and exercises chivalry. We cannot raise the transit rates per metric ton of the oil that is being transported across our territory, whereas Russia can, without any chivalry, disconnect Ukraine from the energy system. Only a powerful, stable, and truly independent Ukraine can guarantee security in the CIS and eastern Europe. For this, it is necessary for our state leaders to care mainly about the interests of the Ukrainian people to whom they, hopefully, also belong.

Economic Issues

Ukraine: Russian Elections Result in Strengthened Karbovanets

AU2406091496 Kiev DEMOKRATYCHNA
UKRAYINA in Ukrainian 20 Jun 96 p 1

[Unattributed report: "While the Contenders Keep Squabbling, Money Changes Hands"]

[FBIS Translated Text] Yaroslav Kolesnyk, deputy chairman of the board and head of the foreign currency administration at Va-Bank, believes that the strengthening rate of the Ukrainian karbovanets relative to the dollar is primarily due to the political situation in Russia. Earlier, Valeriy Lytvynsky, Ukrainian presidential aide for socioeconomic issues, expressed his opinion that some Russian capital had been transferred to Ukraine on the eve of the Russian elections, thus resulting in a stabilization of the karbovanets.

Meanwhile, the Russian Federation's National Reserve Bank intends to become one of the founders of a bank in Ukraine with 100 percent Russian capital, stated National Reserve Bank Chairman Aleksandr Lebedev. The Russian joint-stock company Gazprom is expected to be among the bank's founders.

Ukraine: Parliament Commission Outlines 1997 Budget

WS2506072896 Lvov INFOBANK in English
0654 GMT 25 Jun 96

[FBIS Transcribed Text] Parliament's State Budget Commission prepared a draft report on 1997 budget to

be debated in Parliament. The proposed budget deficit is not to exceed 5 percent of the gross domestic product value.

The Commission recommends cuts in budget deficit using such non-emission measures as external funding sources and expansion of state securities market. The draft stresses the importance of timely payments on the internal state debt which resulted from the emission of state securities.

The Commission believes the implementation of the state budget and the observance of the Law on the state budget is to lie with the State Treasury. The Cabinet is to draft the Law on the State Treasury by January 1, 1997. The Commission also proposes to restore subordination of oblast finance departments directly to the Ministry of Finance of Ukraine.

The Commission report specifies budget priorities for 1997 which are: funding social protection measures, state guarantees for the adequate level of social services and protection for the poor and priorities in the payments of pensions and benefits to them. Tax system reform in 1997 to stimulate business activity and raise state revenues from taxes are among other proposals of the Commission.

Defense budget is to be kept at its present level, while law-maintaining agencies will get less money and their structure is to be improved.

Belarus

Belarus: Lukashenka Holds Conference on Economic Problems

WS2606082596 Minsk Radio Minsk Network
in Belarusian 0700 GMT 26 Jun 96

[FBIS Translated Text] Yesterday Alyaksandr Lukashenka held a conference with the leadership of the Cabinet of Ministers, the Presidential Administration, and the Presidential Control Service, as well as with some ministers, oblast executive committee chairmen, the Minsk City Executive Committee chairman, and members of the Security Council. The conference focused on measures to improve the economy in 1996 and on conceptual approaches toward socioeconomic development of the Republic in 1997. Reports at the conference were delivered by Deputy Prime Minister Syarhey Linh and National Bank Chairwoman Tamara Vinnikava.

It was noted that a certain macroeconomic stabilization had been achieved in the country. The inflation rate is within the range of one to two percent monthly. The exchange rate of the Belarusian ruble is stable. The budget deficit is being kept within the established limits. The volume of production has increased in a number of branches.

Along with this, the president censured the Cabinet of Ministers for the considerable stock of unsold products at enterprises, wage and pension arrears, an excess of imports over exports, and large amounts of nonpayments of enterprises to the budget. The president instructed the Cabinet of Ministers to strengthen control over the operation of enterprises and to enhance the personal responsibility of ministers and local authority leaders for the results of economic activity.

It was resolved to consider the results of the country's economic performance in the first half of the current year, as well as a redrafted program at a session of the Security Council in July 1996.

Belarus: Sharetskiy To Head Russian-Belarusian Assembly

LD2506192196 Moscow INTERFAX in English
1838 GMT 25 Jun 96

[From the "Presidential Bulletin" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov]

[FBIS Transcribed Text] Head of the Belarusian parliament Semyon Sharetskiy was elected chairman of the Parliamentary Assembly of Belarus' and Russia's Community. The first session of the assembly was opened in Smolensk on Tuesday.

Chairman of Russia's State Duma Gennadiy Seleznyov has become Sharetskiy's first deputy.

In addition, participants of the session elected Sharetskiy's deputies, State Duma Deputy Chairman Sergey Baburin representing Russia and Chairman of the subcommission on the CIS Affairs in the Belarusian Supreme Soviet Aleksey Kozyr, who will represent Belarus.

The Parliamentary Assembly has formed six permanent acting commissions and confirmed their composition. Deputies of Russia's Federal Assembly will head three out of six commissions. Deputy Chairman of the State Duma Committee on International Affairs Yelena Mizulina (the Yabloko faction) will head the commission on bill proposals. Chairman of the State Duma Committee on CIS Affairs Georgiy Tikhonov (the Popular Rule group) will head the commission on economic policy, member of Russia's Federation Council, leader of the Smolensk regional administration Anatoliy Glushenkov will head the commission on social policy, cultural and humanitarian issues.

Belarus: Sharetskiy Endorses Community With Russia

WS2606082696 Minsk Radio Minsk Network
in Belarusian 0300 GMT 26 Jun 96

[FBIS Translated Text] We should fill with specific content all the historical resolutions adopted by the presidents of Belarus and Russia through the signing of the agreement on the creation of the Community [of Belarus and Russia]. This was stated yesterday by Belarusian Supreme Soviet Chairman Syamyon Sharetski in Smolensk, at the first session of the Parliamentary Assembly of the Community. According to the parliamentary leader, at the current stage of development of Belarusian-Russian mutual relations, it is very important to create a legislative corridor for the activity of the governments of our countries.

The meeting in Smolensk was of an organizational character, but, according to parliamentarians of both states, it laid a foundation for activity of this structure within the framework of the Community.

Belarus: Draft Concept for National Statehood Detailed

WS2506144096 Minsk RESPUBLIKA in Russian
20 Jun 96 p 2

[Interview with Doctor of Historic Sciences Oleh Heorhiyavich Sluka, Belarusian president's aide, by unidentified INTERFAX correspondent; place and date not given: "We Know the Answers to the Questions as to

What Society We Are Building and What Kind of Life We Are Going To Leave to Our Descendants"]

[FBIS Translated Text] [Correspondent] Oleh Heorhiyavich! Belarusian Supreme Soviet Chairman Syamyon Sharetzki, in his report to the legislature, said that both the Belarusian people and government must look for an answer to the following questions: In which direction is Belarus currently moving? What society is being built in Belarus? Do you — the president's aide — know the answers to these questions?

[Sluka] I am strongly convinced that the direction of Belarusian development must not challenge the development of world civilization. Such a divergence could bring unprecedented hardships to our Republic. A group of scientists who completed the drafting of a document titled "Ideology of Belarusian Statehood" also share the same opinion. This document must answer the questions as to what society we are building, on which principles it must exist, and what kind of life we will leave as a legacy to our children and grandchildren.

This document will become a philosophical and methodological basis for drafting future socioeconomic programs for the development of Belarus. We tried to ensure grounds to justify our Republican leadership's correct choice as regards the building of a state with regulated market relations.

A scientifically-based ideological system must also be the foundation of Belarusian statehood, and various public forces will compete for its improvement.

The ideology of statehood is more or less stable; it functions on a long-term basis and is practically independent of a change of governments. It could be called a national ideal or a dream. If Americans can speak about the "American dream," why can't we speak about the "Belarusian dream" which we perceive as freedom, welfare, and stability? The quality of this ideology is primarily at issue here — whether this ideology is modern or archaic, whether it was formulated with the help of science or created spontaneously, or whether it is popular or not so popular in society. In accordance with this, a modern model of the development of Belarusian society will be created: It will deny both egoistic capitalism and totalitarian socialism. In our opinion, this system implies a choice in favor of a civilized society whose primary components will be a socially-oriented market economy, a law-governed state, and a pluralist civic society.

[Correspondent] What — in the opinion of the drafters of the "Ideology of Belarusian Statehood" — are the reasons for the crisis in the Republic?

[Sluka] I do not rule out that the absence of a full and clear answer to the question "what society are we building?" could have aggravated the crisis. People's living standards in the Republic are falling. The production sphere, which employs the majority of the able-bodied population, is collapsing. Education, science, health service, and culture are in stagnation.

In my opinion, the second reason for our state's sickness is the political, economic, and ideological monopolism which existed during the period of "developed socialism." This system ensured the accelerated development of the economy in the period of industrialization, but found itself incapable of resolving new public problems under conditions of scientific-technical progress.

The third reason for the crisis are inadequate diagnoses and prescriptions for the restructuring of Soviet society. The combination of militant anticommunism and nihilism toward all attributes of the history of the USSR served as a basis for these diagnoses, while a positively interpreted liberal-capitalist model of society became a prescription for reconstructing Soviet society.

[Correspondent] Can these mistakes be corrected? Has a way to correct these mistakes been specified, and will it not be again recognized as ideologically wrong?

[Sluka] Ideological concepts for Belarusian statehood contained in our draft will provide answers to these questions. The first of them is as follows: Belarus is a sovereign state. These words imply Belarus's ability to independently specify key directions of its domestic and foreign policy.

Another tenet represents Belarus as a state open for all progressive tendencies because our Republic is a part of the world community. Belarus wants to have good-neighborly relations with all countries. It also takes advantages of primary values of modern civilization.

Belarus is an independent state. It has achieved a certain level of political freedoms. Various political forces are competing for state power. Bodies of power are formed by means of elections on a competing basis. Meanwhile, the state of economic and social freedoms is deteriorating. A large number of people live in poverty, need, and crime, and are not sure of tomorrow. To build Belarus as an independent state in these conditions, it is necessary to establish a more full-fledged living space [usilivat polnotsennost zhiznennogo prostranstva] for Belarusian citizens.

I also view Belarus as a state of social justice. This tenet implies that the utmost social polarization of Belarusian citizens is dangerous. In particular, this tenet addresses the people who are too rich or those who became rich illegally.

The drafters are sure that there must be no equality in payments for people's labor. Differentiation in individual incomes is inevitable, but, as world experience shows, the maximum payment must not exceed the minimum payment by more than five- or six-fold.

The draft presents Belarus as a law-governed state. Regrettably, one must admit that the legal system in our Republic is in a dreadful state. Our incomplete Constitution, which empowered the president with some powers, has no mechanisms for their implementation. In addition, the Constitution turned out to be unprepared for the social differentiation of society. Therefore, a code featuring Belarus as a law-governed state must primarily imply the improvement of our legal system.

Our Republic has also initiated the economic integration of the former USSR member-states. This can be explained by the fact that the EU program for the next decade has almost been outlined and it practically does not envisage anything for our country. In addition, a potential expansion of NATO will complicate the situation even more, and since Belarus can join NATO only at the cost of sharply aggravating its relations with Russia, this is unacceptable for us.

The remaining ideological tenets view Belarus as a young state with old traditions; a united, educated, cultural, and tenacious state of Eastern Slavs.

[Correspondent] Considering these tenets, what are the primary aims of the state?

[Sluka] In our opinion, the state must pursue three purposes: It must meet our citizens's demands, preserve the means of production, and achieve high results in the economic sphere.

To achieve these aims, it is necessary to study the demand and supply on foreign markets in order to find our own place in international trade.

The second step specifies our technical opportunities for conquering foreign markets.

The third step specifies the way to provide critical resources and finances for the implementation of planned strategies.

[Correspondent] The drafted document also comprises chapters in which you formulated both your perception of methods for implementing the state's socioeconomic policy during the transitional period of establishing market relations, and a model of denationalization and restructuring of our industry. What are your proposals in this sphere?

[Sluka] During its transition from an entirely centralized planned market economy [as published], the Republic faced the need to resolve an entire range of issues:

A quick destruction of the production basis increased the unemployment rate and the creation of new jobs became an extremely important task. Due to both the curtailment of construction programs and sharply deteriorated living standards of families, the housing problem has become sharply aggravated. The Cold War waged on the international arena over decades also left a tough legacy for Belarusian industry, which in many areas was oriented toward the production of weapons. The problem of conversion is one of most urgent in resolving the tasks of economic reform.

In our opinion, the difficulty of the current situation in our Republic lies in the fact that all the above-mentioned and many other problems are very closely intermingled, and none of them can be resolved individually. In such conditions, it is necessary to develop a program envisaging specific moves the implementation of which would encourage the resolution of each of these problems and not create new ones.

We believe that an aim to establish small territorial-production complexes [MTPK] in Belarus fully meets this demand. A typical MTPK must comprise a farm with 5,000-10,000 hectares and a number of small enterprises to process agricultural products, deal with housing construction, render municipal services, and produce electric and thermal energy based on local sources.... Depending on local conditions, each one of these complexes must comprise some 20 small enterprises providing 200 highly effective jobs. Proceeding from the fact that some 1,500 MTPK could be set up in Belarus, the total number of newly created jobs in rural areas will increase by 300,000.

Speaking about the denationalization and restructuring of the industrial sector, it is necessary to stress that the primary difference between a market economy and administrative-command economy is the economic subjects' economic accountability for the adopted decisions. The transitional period is also characterized by the fact that administrative accountability becomes weaker, but economic accountability is still not effective. As a result, this vacuum triggers the weakening of financial discipline. The economy becomes unstable and the political system becomes more unpredictable. This problem is exacerbated by the fact that the Belarusian industrial sector is unable to produce competitive products; hence, the economy must be fundamentally modernized.

The experience in conducting voucher-type privatization in Belarus showed that this kind of privatization can implement reform in both the service sector and small enterprises. In order to implement reform in our primary industrial enterprises, which create the basis for our

welfare, conducting privatization by means of vouchers must be supplemented by other organizational measures.

To set up a modern industrial structure similar to the EU's, where some 70 percent of jobs are concentrated in small and medium-sized enterprises, it is necessary to establish some 200,000 small enterprises in various areas of our national economy.

Moldova

Moldova: Snegur Threatens To Take 'Direct Control' of Army

AU2506143096 Chisinau BASAPRESS in English
2255 GMT 24 Jun 96

[FBIS Transcribed Text] Chisinau, 24/06/1996 (BASAPress) — Defense Minister Gen. Pavel Creanga said he would call to arms a company to protect the military department if President Snegur tries to oust him. He made the statement Monday at a meeting with the Defense Ministry staff.

Creanga referred to "anticonstitutional measures" the President could undertake and pointed to order no. 010 issued by the president three days ago.

It interdicts the minister to convoke meetings or disseminate information without coordinating it with representatives of the presidency. According to a release issued to BASA personally by Gen. Creanga, "the President's tendency to assume direct control over the National Army is alarming."

Gen. Creanga said he opposes army's implication in political processes, as well as in the electoral campaign.

Alexandru Gorgan, presidential adviser in military issues and Security Council secretary, said "order no. 010

is aimed at stopping the continuous destabilization in the army." According to Gorgan, if Creanga refuses to obey the Supreme Commander's orders, President Snegur will assume the direct control of the armed forces.

Moldova: Democrats Back Country's Withdrawal From Russian Sphere

LD2506172896 Moscow INTERFAX in English
1556 GMT 25 Jun 96

[FBIS Transcribed Text] CHISINAU, June 25 (Interfax) — The Party of Democratic Forces, Moldova's largest opposition movement, backs the country's withdrawal from the scope of Russian influence, party Chairman Valeriy Matey told a news conference in Chisinau Tuesday.

The party's new program included this provision along with others, he said.

"The events show that there is a real danger to Moldova's independence, which comes from the East," Matey said. "This is why we believe it is expedient to withdraw from the CIS structure and take part in the elections with our own candidate who will convey the party's position to the electorate."

A party congress had unanimously nominated Matey as presidential candidate last weekend.

The Party of Democratic Forces is the first political movement to announce its plans to take part in the elections with its own candidate. The elections were tentatively scheduled for November 17, 1996, but no official decision to this effect have followed so far.

Kazakhstan

Kazakhstan: Nazarbayev Supports Ghali Re-election, Criticizes U.S.

LD2506194396 Moscow INTERFAX in English
1652 GMT 25 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Kazakhstan stands for re-election of Butrus Butrus-Ghali as the U.N. secretary-general, President of Kazakhstan Nursultan Nazarbayev told a news conference in Geneva Monday after meeting leaders of the United Nations Organization.

He said the meeting focused on the U.N. support to democratization and formation of a free market economy in the former Soviet republics.

The United Nations plays a key role in stability in the Central Asia. He stressed the important personal contribution of Butrus-Ghali and "the load of responsibility he is carrying as the leader of such an influential organization."

"Kazakhstan supports the re-election of Butrus Butrus-Ghali as U.N. secretary-general. We do this consciously and hope other Commonwealth member-states to do the same," said Nazarbayev.

He described as "non-constructive" the stand of the U.S. Administration, which has announced its intention to veto the re-election of Butrus-Ghali at the U.N. Security Council.

"I think the U.N. General Assembly should decide who will become the U.N. secretary-general," said Nazarbayev. "Every country has the right to voice its opinion, and none can deny this right."

The president said he knows about the plans of two other permanent members of the U.N. Security Council, Russia and China, who can block any candidate for the post proposed by the United States if the U.S. threat is carried out.

"I do not think the use of sanctions and the right of veto helps cooperation and peace on the planet," said the president.

Butrus-Ghali, 73 and Egyptian by nationality, announced his intention to run for re-election last week. His current five-year mandate is due to expire on December 31, 1996.

Before that date the U.N. Security Council, which unites representatives of 15 countries, is to vote on a new U.N. secretary-general and propose its candidate to the U.N. General Assembly for approval.

Kazakhstan: Iran Gives Priority to Ties With Central Asian States

LD2606112496 Tehran IRNA in English
1018 GMT 26 Jun 96

[FBIS Transcribed Text] Almaty, June 26, IRNA — Iran attaches special importance to ties with Central Asian countries in its foreign policy, said Iran's Ambassador to Almaty Rasoul Islami.

In an interview with the English daily 'ALL OVER THE GLOBE' published here, Islami said Iran has based its policy on friendship, cooperation and non-interference in other countries' affairs.

Iran regards economic development of regional countries as a necessity and believes that this should be achieved only in an atmosphere of cooperation, brotherhood, joint efforts and away from tension, he said.

Terming Tehran-Almaty ties as very good, he said there exists no obstacles on the way of further expansion of bilateral ties.

Turning to the existing potentials for mutual cooperation, he voiced Iran's readiness to assist Kazakhstan in various fields including oil, gas, petrochemicals, construction of silos, roads, ports and buildings.

Transfer of Kazakh oil to international markets through Iran which is scheduled to start within two months will open a new chapter in Tehran-Almaty ties, he concluded.

Kazakhstan: New Pipeline Will Allow Increase in Oil Exports

MM2506133196 Moscow Russian Television Network
in Russian 0430 GMT 17 Jun 96

[From the "Business Russia" program: Video report by Dukesh Baimbetov, identified by caption; figures in brackets denote broadcast time in GMT in hours, minutes, and seconds]

[FBIS Translated Text] [044628] [Baimbetov over aerial views of Tengiz oil field] The discovery of the Tengiz oil deposit, which ranks among the five biggest in the world, has breathed new life into Staraya Emba, the oil-bearing region in the west of the republic. However, because of the deep location of the seam, hydrogen sulfide, and saline [word indistinct], the oil is difficult to recover. Foreign investment was needed. A cooperation agreement, dubbed "the deal of the century," was therefore signed with the U.S. Chevron Corporation back in the days of the Soviet Union. A joint Kazakh-U.S. venture, [Tengiz-Chevroil], thus came into being. However, difficulties arose with transporting the oil, which was largely Russia's responsibility.

Now Russia, Kazakhstan, and the Sultanate of Oman have signed an agreement in Almaty on the reorganization of the Caspian Pipeline Consortium and the construction of a Tengiz-Novorossiysk pipeline.

[Rustam Cherdabayev, akim of Atyrauskaya Oblast, identified by caption] This will enable us to increase exports of Tengiz oil. Whereas last year we dispatched three million, this year we will dispatch around four and a half million [tonnes].

[Baimbetov] In two and a half years, when the oil pipeline is fully operational, this figure will increase several-fold. Under the new agreement Russia will hold 24 percent of the consortium's shares, Kazakhstan 19 percent, and the Sultanate of Oman seven percent. The remaining 50 percent will be shared out among the supplier companies, including Chevron. Meanwhile, Kazakhstan has found a second oil transportation route, signing an agreement with Iran. It makes provision for the transportation of Tengiz oil to Iranian oil refineries by sea. [044800]

Uzbekistan

Uzbekistan: Report on Karimov Visit to U.S.

LD2506185196 Tashkent Uzbekistan Television in Russian 1430 GMT 25 Jun 96

[FBIS Translated Excerpt] Here is a report about President Islam Karimov's working visit to the United States. [passage omitted]

[Begin Karimov recording] As president of Uzbekistan, I am ready to give you the green light, so that you can have a presence on the Uzbek market. I guarantee this to you. I don't have any hesitation about it. [end recording]

In the course of the visit, President Karimov will sign a total of six agreements, which will help to increase U.S. investment in Uzbekistan.

In the afternoon, President Karimov met CIA Director Deutch, Deputy Secretary of State Strobe Talbott, Energy Secretary Hazel O'Leary, and Treasury Secretary Rubin.

At a news conference attended by U.S. and foreign media, President Karimov replied to their questions. Speaking about Uzbekistan's position regarding the presidential elections in Russia, President Karimov said, in particular:

[Begin Karimov recording] Today we hope that Yeltsin will win the elections. This is, so to speak, a strategic interest for us, from the point of view of maintaining our independence and our sovereignty. The arrival of the communists would be a threat to our sovereignty and a threat to our security. That is why there is no way that we can be attracted by such a future. [end recording]

Today, Karimov is expected to visit the Congress and the White House, where President Karimov will meet U.S. President Bill Clinton.

Uzbekistan: Karimov Walks Out of Ruling People's Democratic Party

LD2106182696 Moscow INTERFAX in English 1539 GMT 21 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] It has now been announced that President Islam Karimov has walked out of the ruling National Democratic Party of Uzbekistan, NDPU, of which he is chairman, although his formal application was submitted to the party's executive committee on June 15.

Many say NDPU is expected to overhaul the post of party chairman at its next congress. The committee voiced its appreciations of Karimov's performance as party chairman.

The president said that only a non-partisan head of state could act as a genuine guarantor of the country's constitution and respect for human rights.

NDPU, formerly the Communist Party of Uzbekistan, was set up in September 1991 with Karimov taking in charge. The 1.5 million-strong party also held to the property of the former Communist Party.

Uzbekistan: Dispute Between Uranium Producer, U.S. Company Noted

LD2406121996 Moscow INTERFAX in English 0848 GMT 24 Jun 96

[FBIS Transcribed Text] TASHKENT, June 24 (Interfax) - Nukem of the United States and Uzbekistan's largest nuclear fuel producer, the Navoi mining and metallurgical factory (NGMK), have yet to resolve a dispute in their formation of a joint venture for uranium production, NGMK's chief engineer, Yevgeniy Tolstov, told Interfax.

The two sides met in New York recently but could not decide how large a share each would receive and how much Nukem was to invest, he said.

Further, the Uzbek side said that the technical and economic bases for the company's activities, developed by Bateman of the United States, needed serious adjustment, which it will present in the within the next four to six weeks.

The expected shares in the project were to be 40-45 percent for Nukem and 55-60 percent for NGMK, the NGMK general director, Nikolay Kucherskiy, told Interfax earlier.

NGMK, which has a monopoly on uranium production in Uzbekistan, plans to increase its production of uranium concentrate to 3,000-3,500 tonnes, up from the current 2,200 tonnes, Kucherskiy said.

Armenia

Armenia: Premier Meets Iran's Velayati; Gas Pipeline Financing Set

NC2506180196 Yerevan Radio Yerevan International Service in Armenian 1630 GMT 25 Jun 96

[FBIS Translated Text] An Armenian delegation that was in Switzerland on a working visit under Prime Minister Grant Bagratyan held working meetings with Iranian Foreign Minister 'Ali Akbar Velayati at Velayati's request.

In response to a request from Mr. Velayati, Prime Minister Grant Bagratyan announced that efforts to find ways of financing the Iran-Armenia gas pipeline have culminated in success and there is now a possibility of beginning construction work this year. It was noted that the construction of the gas pipeline is a mutually profitable venture both politically and economically.

Within the context of its visit to Crans Montana, the Armenian delegation held meetings with representatives of banks, financial institutions, and investment companies. A whole range of meetings were also held with representatives of the West European energy companies during which matters relating to the preparation and financing of a program for upgrading the Armenian energy system were examined.

On the way back to Armenia from Switzerland, the Armenian prime minister held a working meeting with Aleksey Bolshakov, deputy prime minister of Russia. The sides examined regional cooperation, the construction of gas pipelines, and the development of the energy system in Armenia, particularly matters pertaining to the Armenian nuclear power plant.

Prime Minister Hrand Bagratian raised the issue of the speedy transfer to the Armenian Government of the remainder of the 110- billion-ruble loan extended by Russia to Armenia in 1994, as well matters relating getting a new loan.

The Armenian prime minister and Russian Deputy Prime Minister Aleksey Bolshakov examined in detail a number of problems relating to future cooperation within the CIS.

Armenia: Ter-Petrosyan Says Armenia Ready for Economic Development

LD2606101996 Moscow INTERFAX in English 0935 GMT 26 Jun 96

[FBIS Transcribed Text] YEREVAN, June 26 (Interfax) — Armenian President Levon Ter-Petrosyan called Tuesday for a transition from receiving humanitarian aid

from the international community to the realization of development programs in different industrial branches.

"Armenia's intellectual and production potential gives us the ability to use investments effectively," he told a delegation from the European Bank for Reconstruction and Development (EBRD) Board of Directors.

Armenia will encourage foreign investment, the development of small and medium-size businesses, and regional trade and economic cooperation, he said.

"The EBRD representatives noted Armenia's significant economic successes achieved in very little time and expressed the opinion that the country has the necessary prerequisites for dynamic development," the president's press staff told Interfax.

Armenian Prime Minister Grant Bagratyan told the EBRD delegation that one of the primary spheres of cooperation between Armenia and the bank may become the reformation of the Armenian banking system.

The EBRD must also support Armenia's attempts to enter European markets, he said.

The delegation visited the Razdan electric station and were satisfied with the progress of the reconstruction of the 5th power unit for which the bank lent Armenia \$57 million in 1994.

Armenia: Republican Party Nominates Ter-Petrosyan for President

NC2506160196 Yerevan NOYAN TAPAN in English 1345 GMT 25 Jun 96

[FBIS Transcribed Text] Yerevan, June 25 (NOYAN TAPAN)—At its third congress Republican Party of Armenia (RPA) nominated Levon Ter-Petrosyan as a candidate at forthcoming presidential elections. As is known, Levon Ter-Petrosyan's candidacy has already been nominated by Armenian All National Movement.

According to RPA Chairman Ashot Navasardyan, RPA took that decision taking into account President's contribution to establishment of national statehood, successful resolution of the Karabakh problem in the context of Hay Dat (Armenian Cause). As Ashot Navasardyan says we cannot but admit Republic's achievements in fields of foreign and internal policy, as well as solution of national problems for the past 6 years.

RPA thinks that "current president must remain in office for the next five years, and that today Armenian people needs his personal qualities, talent of a leader and great experience".

Estonia**Estonia: PM Vahi Addresses Warsaw NATO Seminar***WS2506115396 Tallinn ETA in English
1026 GMT 25 Jun 96*

[From 22 June SONUMILEHT, p.5; "News Bulletin" No. 121]

[FBIS Transcribed Text] Prime Minister Tiit Vahi called for further security guarantees for the countries left out of the first round of the NATO enlargement to the seminar in Warsaw. "While welcoming the admission of new members, we have to hope that NATO also has a strategy for strengthening the security of those countries not admitted," he said. Vahi told the seminar that the plans for wider dialogue with NATO and extension of cooperation beyond the partnership programme are a major step in continued integration and a sign of protection for the countries striving to become members.

The premier also discussed the Baltic regional security issues and stressed the importance of cooperation between the Baltic Sea countries. But the regional cooperation, although a welcome development, is inadequate, he said.

Estonian Defence Minister Andrus Oovel met the US Deputy Secretary for Defense John White in Warsaw. White declared that the US consider the Baltic states' security one of the key problems in Europe and are ready for further extension of cooperation. He mentioned the US interest in the development of the Baltic Peacekeeping Battalion (BALTBAT) into a brigade.

The US will also provide support to the Baltic joint airspace surveillance system, concerning both software and equipment, after the initial research programme will be completed in September. Special interest will be paid to the "Military to Military" programme and the schooling of Estonian cadets in the USA. White further recommended that Estonia appointed its military attache to the embassy in Washington. [as received]

Estonia: Minister on U.S. Defense Official White's Remarks*WS2606075496 Tallinn ETA in English
1957 GMT 25 Jun 96*

["News Release"]

[FBIS Transcribed Text] Tallinn, June 25 (ETA) — Participants of a high level NATO workshop that took place last week in Warsaw stressed repeatedly that the enlargement of NATO must take place in a way that no state's security deteriorates and all states are provided

with security guarantees. Estonian Defence Minister Andrus Oovel told a press conference on Tuesday.

Oovel cited US deputy defence minister John White who said that USA considers the security of the Baltic states one of the key issues in guaranteeing security of the whole Europe. This is why the USA wishes to develop deeper defence cooperation with Estonia both in the framework of bilateral relations and international projects, Oovel said.

White said that US wishes the Baltic peacekeeping battalion to become the Baltic peacekeeping brigade, which would include one battalion from every Baltic state. US is ready to allocate additional finances for that.

US wishes also to continue support to creation of Baltic states joint air observation system, also after the research on regional air space will be completed this September.

Oovel said that the West had welcomed Estonian government's firm decision to double the state's defence expenditure. "This is for our West European partners a firm sign of our readiness to stand for guaranteeing our own security and take upon ourselves a share of responsibility in producing security," Oovel said.

Estonia: President Argues With Lithuanian President Over EU Entry*WS2606093096 Tallinn ETA in English
0805 GMT 26 Jun 96*

[From 25 June POSTIMEES, p1; "News Bulletin" No.122/96]

[FBIS Transcribed Text] Wednesday, June 26 — A debate between Lithuanian President Algirdas Brazauskas and Estonian Premier Tiit Vahi took place at the EU summit in Florence as Brazauskas declared that the Baltic states are incapable of controlling their borders and thus cannot join the EU. Brazauskas also claimed that there are tendencies of some Baltic countries attempting to hasten their admission on the account of others. Estonia, Latvia and Lithuania will join the EU either together or not at all, he declared. Vahi objected to that, stating that the Madrid summit had decided to handle each case individually. He also rejected the idea of one country joining the EU on account of others. If the EU will enlarge by a single Baltic nation, all others will benefit from it, he said. But he did not hide his satisfaction that Estonia handed over its integration plan to Jacques Santer first of the three Baltic states. [as received]

Lithuania

Lithuania: Clinton, Baltic Leaders Discuss NATO Expansion, Security

LD2606102996 Vilnius Radio Vilnius Network in Lithuanian 0900 GMT 26 Jun 96

[FBIS Translated Text] NATO membership is the basis for guaranteeing our security, Lithuanian President Algirdas Brazauskas said at his meeting with Bill Clinton, the president of the United States of America Tuesday afternoon. On Tuesday, the U.S. President had an approximately 30 minute-long meeting with leaders of the three Baltic countries [Brazauskas of Lithuania, Guntis Ulmanis of Latvia, and Lennart Meri of Estonia].

In an interview with Voice of America after the meeting, President Brazauskas said that the security of the Baltic countries and their efforts aimed at joining NATO were the central points of the meeting.

Lithuanian Foreign Minister Povilas Gylys, who is accompanying Brazauskas during his visit to the United States, said that Lithuania's striving for NATO membership is based on several considerations. We realize that there cannot exist a secure Europe without a secure Baltic region, and it is one of our most important arguments in the current discussion on NATO expansion, Gylys said. He also stressed that security of one country cannot be improved at other countries' expense.

Lithuanian Ambassador to Washington Alfonsas Eidintas described the meeting as successful.

A press release, made by the White House after the meeting, says that the relations between the United States and the Baltic countries are strong and are developing in a successful fashion. President Bill Clinton's administration strongly advocates the integration of Lithuania, Latvia, and Estonia into transatlantic structures; the United States wishes to eliminate the results of the Cold War without creating new division into blocs.

This is the third meeting between the Baltic presidents and U.S. President Clinton: For the first time they met in New York in 1993, and the second meeting took place in Riga in 1994.

Lithuania: Polish Schools To Retain Instruction in Polish

LD2506185796 Warsaw Polskie Radio First Program Network in Polish 1700 GMT 25 Jun 96

[Report by correspondent Andrzej Klubinski from Vilnius]

[FBIS Translated Text] All subjects will continue to be taught in Polish at Polish schools in Lithuania. This has been decided by the Lithuanian Seimas. The

Seimas has thereby rejected amendments to a bill on education which envisaged that the teaching of history and geography in Lithuanian would be introduced at minority schools.

The draft amendment triggered anxiety among Poles living here who were afraid that the proposed changes might be the thin end of the wedge in a process of eliminating Polish from schools and, as a result, signify the Lithuanization of Poles living in Lithuania. But this was not to be. Because of voting by the opposition, chiefly the Conservatives of Landsbergis and the Christian Democrats of Saudargas, the law on education was retained in its current shape. At minority schools the whole curriculum will be taught, just as before, in the national language of the pupils and it will be possible to teach individual subjects in Lithuanian only at the request of parents.

In addition, contrary to the intentions of the authors of the proposed amendments, religious instruction will remain in school curricula.

Lithuania: Police Officers Spot UFO; Rapid Reaction Force Alerted

LD2606110796 Moscow ITAR-TASS World Service in Russian 0920 GMT 26 Jun 96

[By Vladas Burbulis]

[FBIS Translated Text] Vilnius, 26 Jun — An Unidentified Flying Object (UFO), spotted near the Lithuanian border on 25 June by two duty motor police patrol officers Jaunius Pozera and Laimis Kraujalis placed the whole Vilnius police on the alert. Vehicle loads of soldiers from the Aras rapid reaction force, sniffer dogs and police reinforcements immediately arrived on the scene of the emergency.

According to the eyewitness's accounts, at about 0030 in the early morning, on the Vilnius-Medininkai road, near the village of Nemezis, 10 km from the capital, at an altitude of 20-30 meters above the ground, they noticed a spherical object hanging and "pulsing," alternately shrinking and expanding. At the same time, they heard what they described as "a strange sound like an electric or electronic crackle." Wanting to take a closer look at the UFO, the policemen moved toward it. When they had advanced about 50 meters through the long grass, the police said, the sphere moved away, rose higher and rapidly departed in the direction of Vilnius.

The policemen watched the UFO for about half an hour. On their arrival at the scene of the "emergency", members of the Civil Defense Department, servicemen from the special forces and commissioners of the capital's police carefully studied the area, measured

the background radiation and tape-recorded the strange sound, which was still heard in the area after the disappearance of the UFO. The sniffer dogs did not discover anything suspicious and behaved quietly. But it was noted that the tall grass around the place over which the sphere had "hung" was flattened to a radius of 10 meters.

Lithuanian scientists have not yet expressed an opinion on the appearance of this UFO near Vilnius. Police Commissioner Valentinas Juchnevicius said in a radio interview today that both officers who watched the shining object "are psychologically healthy, normal people, not noted for crankiness."

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